

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index decreased by 135.21 points, or 1.45% during the week, to close at 9,184.97. Market capitalization declined by 0.8% to reach QR524.9 billion (bn) as compared to QR529.2bn at the end of the previous week. Of the 47 listed companies, 23 companies ended the week higher, while 22 fell and 2 remained unchanged. Salam International (SIIS) was the best performing stock for the week, with a gain of 24.5%. On the other hand, Doha Bank (DHBK) was the worst performing stock with a decline of 5.1%.

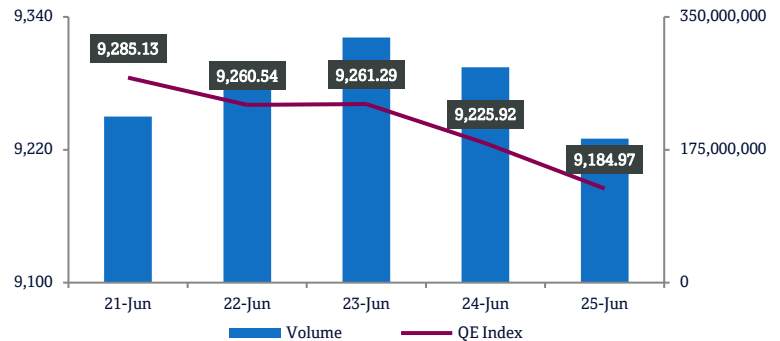
Industries Qatar (IQCD), Qatar Islamic bank (QIBK) and Qatar International Islamic bank (QIIB) were the primary contributors to the weekly index loss. IQCD was the biggest contributor to the index's weekly decline, deleting 45.0 points from the index. QIBK was the second biggest contributor to the mentioned loss, removing 27.4 points from the index. Moreover, QIIB erased 22.7 points from the index.

Trading value during the week dropped by 14.9% to reach QR1,757mn vs. QR2,065mn in the prior week. The Banks and Financial Services sector led the trading value during the week, accounting for 32.8% of the total trading value. The Consumer Goods & Services sector was the second biggest contributor to the overall trading value, accounting for 21.8% of the total trading value. QNB Group (QNBK) was the top volume traded stock during the week with total traded value of QR174.4mn.

Trading volume increased by 17.0% to reach 1,291.7mn shares vs. 1,104.4mn shares in the prior week. The number of transactions rose by 0.7% to reach 41,137 transactions versus 40,849 transactions in the prior week. The Consumer Goods & Services sector led the trading volume, accounting for 30.7%, followed by the Industrials sector comprising 23.1% of the overall trading volume. SIIS was the top volume traded stock during the week with total traded volume of 268.8mn shares.

Foreign institutions ended the week with net buying of QR0.7mn vs. net buying of QR24mn in the prior week. Qatari institutions remained positive with net buying of QR24mn vs. net buying of QR84mn in the week before. Foreign retail investors remained negative with net selling of QR0.8mn vs. net selling of QR9mn in the prior week. Qatari retail investors remained bearish with net selling of QR24mn vs. net selling of QR99mn the week before.

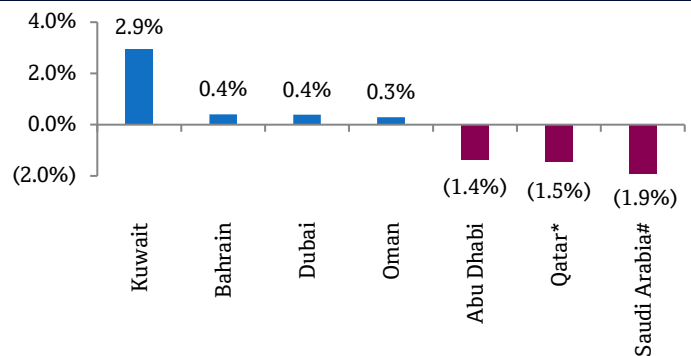
QSE Index and Volume



Market Indicators	Week ended June 25, 2020	Week ended June 18, 2020	Chg. %
Value Traded (QR mn)	1,757.1	2,065.4	(14.9)
Exch. Market Cap. (QR mn)	524,930.5	529,212.7	(0.8)
Volume (mn)	1,291.7	1,104.4	17.0
Number of Transactions	41,137	40,849	0.7
Companies Traded	46	47	(2.1)
Market Breadth	23:22	31:14	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	17,657.81	(1.5)	3.8	(8.0)
ALL Share Index	2,863.61	(0.8)	4.3	(7.6)
Banks and Financial Services	4,010.07	(0.6)	4.5	(5.0)
Industrials	2,584.39	(2.1)	5.5	(11.9)
Transportation	2,699.50	0.5	4.2	5.6
Real Estate	1,448.09	(0.1)	5.7	(7.5)
Insurance	1,955.25	(0.1)	(5.9)	(28.5)
Telecoms	873.83	(1.3)	5.8	(2.4)
Consumer Goods & Services	7,378.38	(0.8)	3.5	(14.7)
Al Rayan Islamic Index	3,679.44	(1.3)	3.9	(6.9)

Weekly Index Performance



Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value (\$ mn)	Exchange Mkt. Cap. (\$ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	9,184.97	(1.5)	3.8	(11.9)	478.77	143,043.6	14.5	1.4	4.4
Dubai	2,086.51	0.4	7.3	(24.5)	347.47	80,255.4	6.3	0.7	4.5
Abu Dhabi	4,285.59	(1.4)	3.5	(15.6)	181.16	133,585.8	13.3	1.3	6.0
Saudi Arabia#	7,213.36	(1.9)	0.0	(14.0)	7,683.16	2,209,718.9	21.6	1.6	3.6
Kuwait	5,167.74	2.9	3.4	(17.7)	494.96	95,987.9	15.0	1.2	3.7
Oman	3,525.77	0.3	(0.5)	(11.4)	14.34	15,385.1	9.8	0.8	6.8
Bahrain	1,279.38	0.4	0.8	(20.5)	16.77	19,407.7	9.3	0.8	5.5

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; #Data as of June 24, 2020)

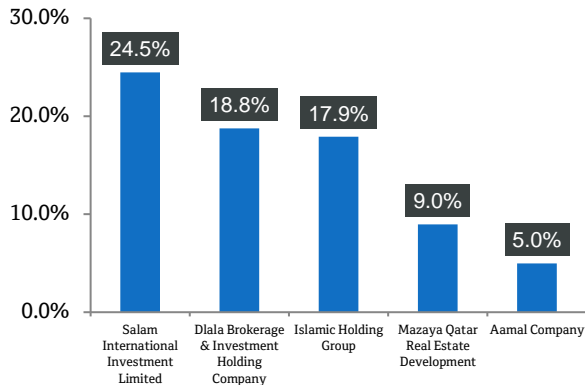
Economic / Market & Corporate News

- Fitch affirms Qatar at 'AA-' with 'Stable' outlook** – Global rating agency Fitch has affirmed Qatar's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'AA-' with a 'Stable' Outlook. Qatar's 'AA-' ratings reflect a strong sovereign net foreign asset position, one of the world's highest ratios of GDP per capita and a flexible public finance structure allowing for favorable debt dynamics and a robust response to limit the fiscal impact of the coronavirus pandemic, the rating agency noted yesterday. The Fitch Ratings estimates that Qatar's fiscal break-even oil price will average \$48 per barrel in 2019-2021, one of the lowest among Fitch-rated energy exporters. It noted that the Qatari government and Qatar Central Bank (QCB) are implementing a QR75bn or over 10% of GDP, as stimulus package. This is mainly consisting of liquidity injections by the QCB, stock market investments by government funds, support to businesses through loans and guarantees by Qatar Development Bank, and postponement and suspension of fees and taxes by the government. (Peninsula Qatar)
- Moody's: Qatar's spending cuts lowest among GCC sovereigns** – Among the GCC sovereigns, Qatar has announced the most modest spending cuts so far as a measure to offset the potential revenue losses against the exposure to a combination of shocks. Qatar's spending cuts so far, amount to around 4-5% of GDP, while other GCC nations' cuts are something 7.5% to 10%, estimates Moody's. Over the past three months, GCC governments have announced various measures to offset at least a part of the large revenue losses that Moody's expects will result this year from the combination of sharply lower oil prices and, in most cases, lower oil production. A vast majority of the measures announced so far have been on the expenditure side, reflecting the simultaneous shock to the nonoil economy from the coronavirus pandemic and governments' desires not to place an additional burden on the productive sectors through new or higher taxes and fees. While GCC sovereigns have provided some targeted support to buffer the economy against the coronavirus shock, most have enacted consolidation measures that significantly exceed the cost of fiscal stimulus with the aim of offsetting expected revenue losses. In Qatar, cuts include a large reduction in non-priority capital expenditures, which the government had announced in early March. It also includes a more recently announced plan to reduce the salaries of expatriates employed in the government sector by 30%, which, according to Moody's, could reduce spending by close to 1% of GDP on an annual basis. Differences in the policy responses announced by the GCC sovereigns to date have been, to a degree, proportionate to the size of the likely revenue loss in 2020. Because prices of liquefied natural gas-Qatar's main export are mostly set in long-term contracts and follow oil price movements with a lag, Qatar has some room to delay consolidation measures into 2021, when Moody's expects the impact of the oil price shock on Qatar's fiscal revenue to peak. Kuwait is an outlier, where the rating agency expects the most significant revenue losses, but where the fiscal adjustment has so far been minimal. The differences in policy response are, to a degree, proportional to the sovereigns' exposure to the shock, but are ultimately a reflection of differences in their institutions and governance strength (fiscal policy effectiveness in particular), which captures their adjustment capacity and indicates how durably lower oil prices are likely to impact their sovereign credit profiles. (Peninsula Qatar)
- Fitch: Qatar's LNG ramp-up to boost public finances** – Expansion of LNG production could deliver sizeable improvements to Qatar's public finances in the long term, according to Fitch. Qatar Petroleum (QP) intends to add 49mn tons per year (1.9mn barrels of oil equivalent per day) of LNG production from its North Field by 2027, a 64% increase over current capacity of 77mn tons. Fitch stated, "While we assume that the project will reduce QP's cash flow to the state by around \$25bn spread over 2022-2028, the additional LNG production could ultimately result in more than \$20bn per year of additional hydrocarbon revenue to the government (after wind-down of QP capital spending and assuming some of the project costs are covered by debt and international partners). The selection of international partners for the expansion has been postponed until end-2020, but QP is proceeding with engineering and design work and has acquired options for the construction of 100 LNG tankers for \$20bn." (Peninsula Qatar)
- Up to 50% of staff can work from offices from July 1** – Up to 50% of the staff belonging to the government and private sectors can work from their offices from July 1, the Cabinet decided on Wednesday as part of the steps taken to gradually lift the restrictions imposed to stop the spread of the coronavirus (COVID-19). The rest of the employees will continue their work remotely from their homes, or when requested, as appropriate the Qatar News Agency reported. (Gulf-Times.com)
- Hamad Port container terminal 2 to be operational by year-end** – The 403,500 square meters container terminal 2 (CT2) at the Hamad Port is slated to be operationalized by the end of 4Q2020. "On track for start of operations in late Q4 2020," said a tweet from the QTerminals, a terminal operating company jointly established by Mwani Qatar (51%) and Milaha (49%). The works on CT-2 had begun in December last year as part of Qatar's expansion strategy in its maritime sector. The CT2, with berth length of 1,200 meters and 17 meters draft alongside, will have annual capacity of 2mn TEUs (twenty-foot equivalent units). The CT-2 development at Hamad Port is located immediately to the north of the existing Container Terminal – 1. QTerminals provides container, general cargo, RORO, livestock and offshore supply services in Phase 1 of Hamad Port. The Phase I of Hamad Port consists of CT1, the general cargo terminal, the multi-user terminal, which handles Ro-Ro for vehicles, machinery, and live animals, and the offshore supply services terminal. Considering the sustained growth outlook of Qatar, both CT2 and CT1 are expected to give a big push to the domestic economy in the medium to long term, industry insiders said, highlighting that the port's throughput is

estimated to be roughly 1.5 times gross domestic product or GDP. (Gulf-Times.com)

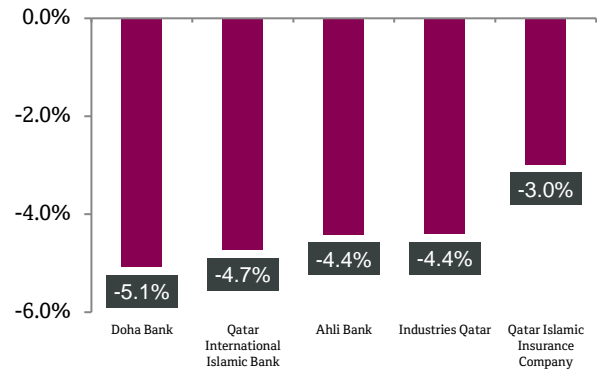
Qatar Stock Exchange

Top Gainers



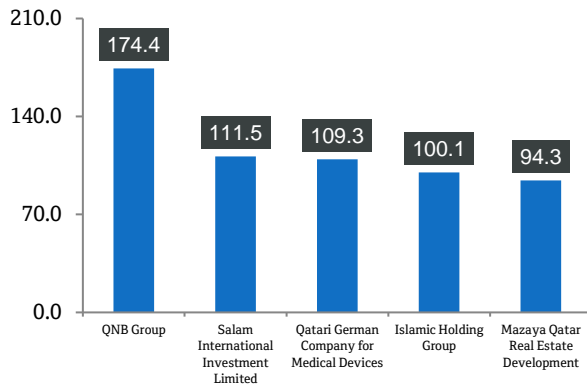
Source: Qatar Stock Exchange (QSE)

Top Decliners



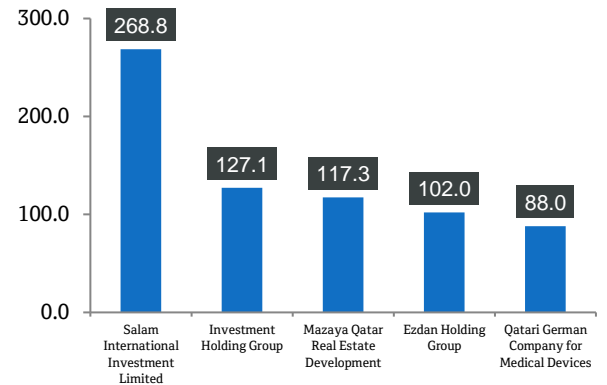
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



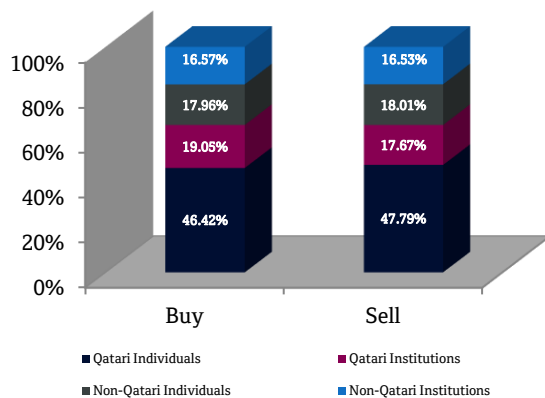
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



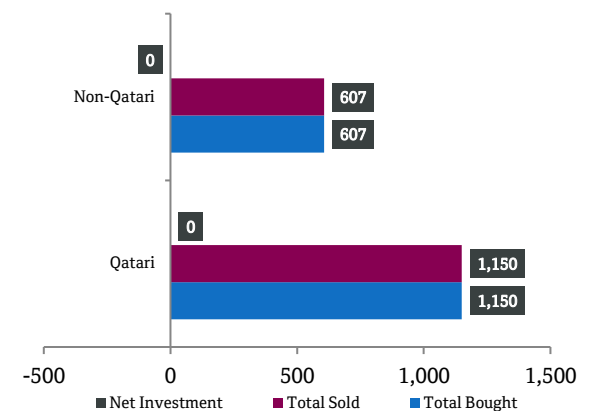
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



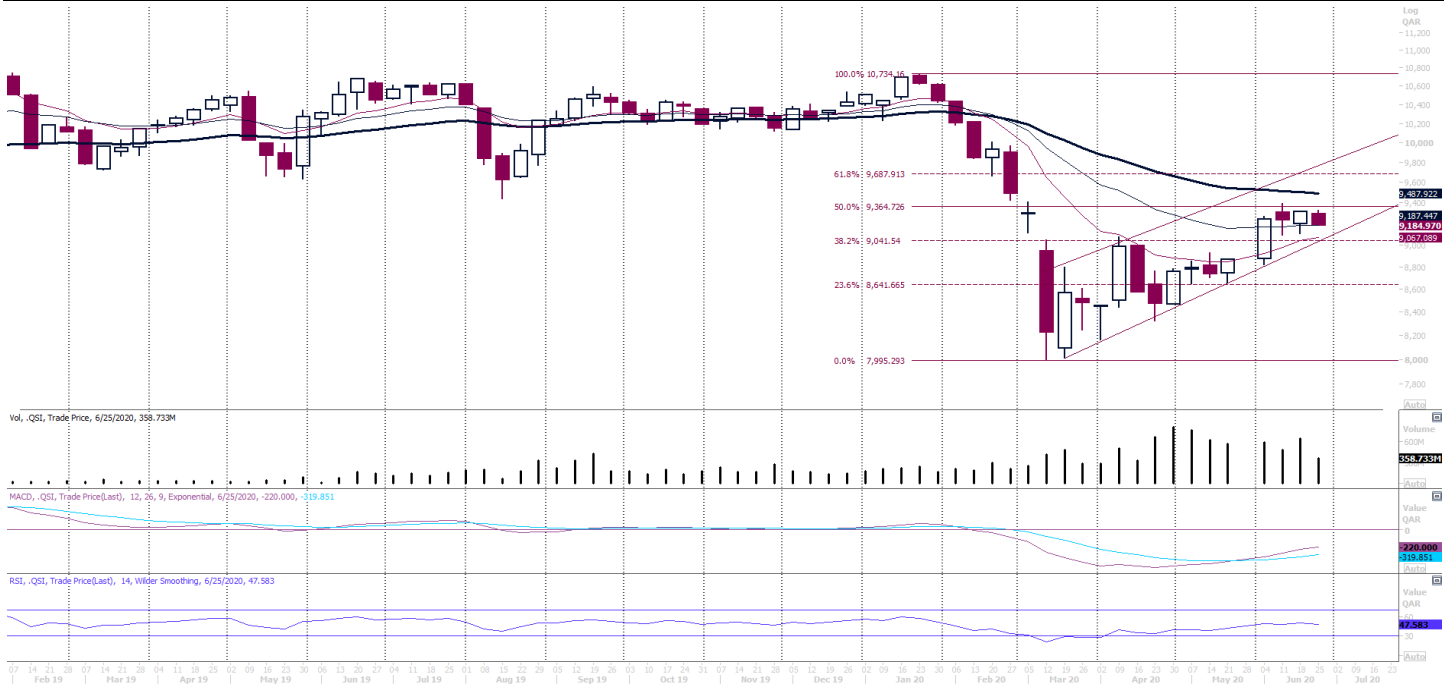
Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

TECHNICAL ANALYSIS OF THE QSE INDEX



Source: Bloomberg

The QSE Index closed down 1.45% from the week before and finished at the 9,184.97 level. The Index remains below its 200-day and getting closer to the lower side of the corrective short-term uptrend; it is imperative for the general index to remain above the 9,000 to hold its ground.

DEFINITIONS OF KEY TERMS USED IN TECHNICAL ANALYSIS

RSI (Relative Strength Index) indicator – RSI is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 to 100. The index is deemed to be overbought once the RSI approaches the 70 level, indicating that a correction is likely. On the other hand, if the RSI approaches 30, it is an indication that the index may be getting oversold and therefore likely to bounce back.

MACD (Moving Average Convergence Divergence) indicator – The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line with the signal line indicates the strength in the momentum during the uptrend or downtrend, as the case may be. When the MACD crosses the signal line from below and trades above it, it gives a positive indication. The reverse is the situation for a bearish trend.

Candlestick chart – A candlestick chart is a price chart that displays the high, low, open, and close for a security. The 'body' of the chart is portion between the open and close price, while the high and low intraday movements form the 'shadow'. The candlestick may represent any time frame. We use a one-day candlestick chart (every candlestick represents one trading day) in our analysis.

Doji candlestick pattern – A Doji candlestick is formed when a security's open and close are practically equal. The pattern indicates indecisiveness, and based on preceding price actions and future confirmation, may indicate a bullish or bearish trend reversal.

Shooting Star/Inverted Hammer candlestick patterns – These candlestick patterns have a small real body (open price and close price are near to each other), and a long upper shadow (large intraday movement on the upside). The Shooting Star is a bearish reversal pattern that forms after a rally. The Inverted Hammer looks exactly like a Shooting Star, but forms after a downtrend. Inverted Hammers represent a potential bullish trend reversal.

Company Name	Price June 25	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	18.00	0.56	(12.58)	166,256	13.2	2.5	3.3
Qatar Islamic Bank	16.12	(2.01)	5.15	38,090	13.4	2.3	3.3
Commercial Bank of Qatar	3.89	0.26	(17.23)	15,744	9.1	0.9	5.1
Doha Bank	2.08	(5.08)	(17.94)	6,437	11.6	0.8	N/A
Al Ahli Bank	3.03	(4.42)	(9.10)	7,362	10.9	1.3	4.6
Qatar International Islamic Bank	8.43	(4.73)	(12.90)	12,762	14.5	2.3	5.0
Masraf Al Rayan	3.88	(0.79)	(2.02)	29,100	13.3	2.3	5.8
Al Khaliji Bank	1.36	0.07	3.82	4,896	8.2	0.9	5.5
Qatar First Bank	1.03	(0.87)	25.31	718	N/A	1.4	N/A
National Leasing	0.76	(0.26)	7.23	374	27.1	0.5	6.6
Diala Holding	1.33	18.75	117.68	378	N/A	2.0	N/A
Qatar & Oman Investment	0.64	4.38	(3.74)	203	28.4	0.7	3.1
Islamic Holding Group	3.30	17.90	73.68	187	233.5	1.4	N/A
Banking and Financial Services				282,506			
Zad Holding	14.50	0.69	4.92	3,436	16.7	2.2	5.9
Qatar German Co. for Medical Devices	1.24	4.55	113.40	143	N/A	5.1	N/A
Salam International Investment	0.42	24.48	(18.38)	482	N/A	0.5	N/A
Baladna	1.24	(0.40)	24.30	2,363	N/A	1.1	1.7
Medicare Group	7.00	2.93	(17.16)	1,970	27.7	2.1	25.7
Qatar Cinema & Film Distribution	2.80	0.00	27.23	176	39.0	0.1	3.6
Qatar Fuel	16.50	(2.37)	(27.95)	16,405	14.7	1.9	4.8
Qatar Meat and Livestock	6.65	1.14	(1.70)	1,196	12.0	3.8	4.5
Mannai Corp.	2.95	1.55	(4.22)	1,346	10.3	0.5	6.8
Al Meera Consumer Goods	18.10	(0.55)	18.30	3,620	18.8	2.9	4.7
Consumer Goods and Services				31,138			
Qatar Industrial Manufacturing	2.87	1.41	(19.61)	1,364	14.6	0.9	5.2
Qatar National Cement	3.80	2.54	(32.74)	2,483	17.5	0.9	7.9
Industries Qatar	8.04	(4.40)	(21.79)	48,642	23.4	1.5	5.0
Qatari Investors Group	1.78	4.40	(0.56)	2,213	20.8	0.8	3.1
Qatar Electricity and Water	16.15	(1.46)	0.37	17,765	12.5	2.2	4.8
Aamal	0.74	4.99	(9.35)	4,643	15.1	0.6	5.4
Gulf International Services	1.53	0.79	(11.05)	2,843	102.6	0.8	N/A
Mesaieed Petrochemical Holding	2.10	(1.82)	(16.33)	26,383	27.1	1.8	3.3
Investment Holding Group	0.52	4.41	(7.62)	432	8.8	0.5	N/A
Qatar Aluminum Manufacturing	0.73	1.52	(6.15)	4,090	N/A	0.7	1.4
Industrials				110,859			
Qatar Insurance	1.91	0.58	(39.53)	6,242	63.5	0.9	7.8
Doha Insurance	1.03	(1.90)	(14.17)	515	11.0	0.5	7.8
Qatar General Insurance & Reinsurance	2.11	0.00	(14.27)	1,846	N/A	0.4	N/A
Al Khaleej Takaful Insurance	1.93	(1.83)	(3.40)	493	15.6	1.0	2.6
Qatar Islamic Insurance	6.14	(2.99)	(8.08)	921	12.5	2.6	6.1
Insurance				10,016			
United Development	1.20	(0.66)	(21.25)	4,238	17.5	0.4	4.2
Barwa Real Estate	3.00	(0.66)	(15.25)	11,674	9.6	0.6	6.7
Ezdan Real Estate	0.90	(0.11)	46.99	23,979	2518.1	0.8	N/A
Mazaya Qatar Real Estate Development	0.83	8.97	14.88	956	33.8	0.8	N/A
Real Estate				40,847			
Ooredoo	6.61	(1.83)	(6.68)	21,164	12.6	1.0	3.8
Vodafone Qatar	1.10	0.55	(5.09)	4,654	31.7	1.1	4.5
Telecoms				25,817			
Qatar Navigation (Milaha)	5.60	(0.39)	(8.21)	6,412	12.3	0.5	5.4
Gulf Warehousing	5.17	(0.58)	(5.66)	303	12.5	1.8	3.9
Qatar Gas Transport (Nakilat)	2.58	1.25	8.03	14,305	13.7	2.5	3.9
Transportation				21,020			
Qatar Exchange				524,931			

Source: Bloomberg

Contacts

Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

saugata.sarkar@qnbfs.com.qa

Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

mehmet.aksoy@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

shahan.keushgerian@qnbfs.com.qa

QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

Zaid al-Nafoosi , CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

zaid.alnafoosi@qnbfs.com.qa

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