

Market Review and Outlook

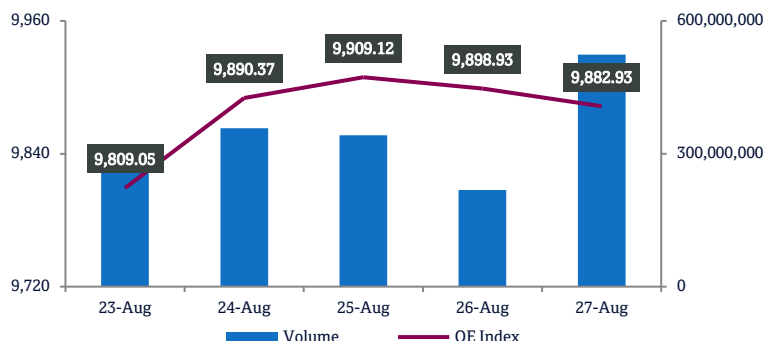
The Qatar Stock Exchange (QSE) Index increased by 1.19% during the week, to close at 9,882.93. Market capitalization increased by 1.1% to reach QR574.4 billion (bn) as compared to QR568.4bn at the end of the previous week. Of the 46 listed companies, 31 companies ended the week higher, while 14 fell and 1 remained unchanged. Mazaya Qatar Real Estate Development Co. (MRDS) was the best performing stock for the week, with a gain of 27.1%. On the other hand, Gulf Warehousing Co. (GWCS) was the worst performing stock with a decline of 3.5%.

Industries Qatar (IQCD), Woqod (QFLS) and Masraf Al Rayan (MARK) were the primary contributors to the weekly index gain. IQCD was the largest contributor to the index's weekly performance, adding 103.3 points to the index. QFLS was the second biggest contributor to the mention gains, tacking on 12.3 points to the index. Moreover, MARK contributed 8.5 points to the overall index.

Trading value during the week decreased by 1.7% to reach QR2,629.6mn vs. QR2,674.8mn in the prior trading week. Mazaya Qatar Real Estate Development Co. (MRDS) was the top value traded stock during the week with total traded value of QR223.6mn.

Trading volume increased by 9.6% to reach 1,715.2mn shares vs. 1,565.5mn shares in the prior trading week. The number of transactions increased by 2.6% to reach 56,058 transactions versus 54,632 transactions in the prior week. Investment Holding Group (IGRD) was the top volume traded stock during the week with total traded volume of 302.0mn shares.

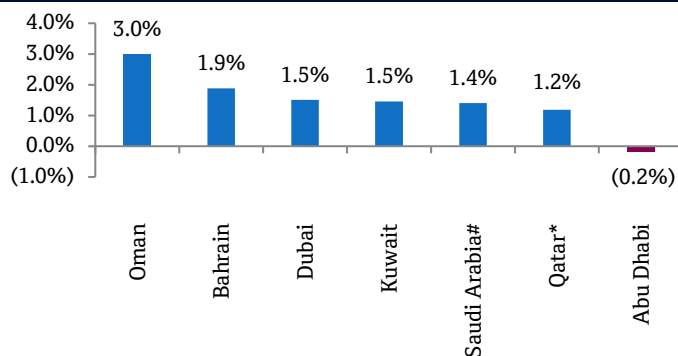
QSE Index and Volume



Market Indicators	Week ended August 27, 2020	Week ended August 20, 2020	Chg. %
Value Traded (QR mn)	2,629.6	2,674.8	(1.7)
Exch. Market Cap. (QR mn)	574,368.2	568,388.3	1.1
Volume (mn)	1,715.2	1,565.5	9.6
Number of Transactions	56,058	54,632	2.6
Companies Traded	46	46	0.0
Market Breadth	31:14	32:13	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	18,999.60	1.2	5.5	(1.0)
ALL Share Index	3,066.91	0.9	4.9	(1.0)
Banks and Financial Services	4,162.46	(0.2)	2.3	(1.4)
Industrials	2,963.78	5.0	13.5	1.1
Transportation	2,843.41	(2.0)	(0.7)	11.3
Real Estate	1,669.12	2.6	6.1	6.7
Insurance	2,114.50	0.1	3.9	(22.7)
Telecoms	919.14	0.0	0.8	2.7
Consumer Goods & Services	8,199.65	1.8	10.2	(5.2)
Al Rayan Islamic Index	4,059.26	2.0	8.0	2.7

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*	9,882.93	1.2	5.5	(5.2)	716.58	156,343.0	16.1	1.5	4.0
Dubai	2,269.27	1.5	10.7	(17.9)	399.64	86,169.6	8.6	0.8	4.3
Abu Dhabi	4,535.15	(0.2)	5.4	(10.7)	421.76	183,991.3	16.5	1.3	5.4
Saudi Arabia#	7,955.04	1.4	6.6	(5.2)	10,507.28	2,360,845.8	28.3	1.9	3.3
Kuwait	5,289.16	1.5	6.5	(15.8)	614.80	99,532.6	27.7	1.3	3.7
Oman	3,737.47	3.0	4.7	(6.1)	35.18	16,828.6	11.1	0.8	6.6
Bahrain	1,380.89	1.9	7.0	(14.2)	27.96	20,878.0	12.9	0.9	5.2

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; # Data as of August 26, 2020)

Economic /Corporate News

- Qatar's trade surplus in merchandise sector up 6.6% to QR6.25bn in July** – Qatar's role in the global supply chain seemed intact as its merchandise sector, amidst the COVID-19 challenges, saw a 6.6% MoM expansion in trade surplus to QR6.25bn this July, aided by export growth to China and Japan, according to the Planning and Statistics Authority (PSA). The country's merchandise trade surplus, however, witnessed a 52.3% YoY decline, the PSA figures show. The Asian region accounted for more than 62% of Qatar's exports, while imports came from diversified geographies. In July 2020, total exports of goods (including exports of goods of domestic origin and re-exports) were QR13.6bn, showing about 7% growth on a monthly basis; while it fell 39% on yearly basis. On a monthly basis, the exports of crude soared 50.4% to QR2.32bn, non-crude by 13.2% to QR1.17bn, petroleum gases and other gaseous hydrocarbons by 5.4% to QR7.8bn and other commodities by 3.1% to QR1.75bn. The exports of petroleum gases and other gaseous hydrocarbons shrank 41.9% YoY, non-crude by 41%, crude by 39.7% and other commodities by 27%. Petroleum gases constitute 60% of the exports of domestic products compared to 62% a year-ago period, crude 18% (18%), non-crude 9% (9%) and other commodities 13% (11%). In July this year, Qatar's shipments to China amounted to QR2.81bn, accounting for 21% of the total exports; Japan QR2.05bn (15%); India QR1.66bn (12%); South Korea QR1.24bn (9%); and Singapore QR0.68bn (5%). On a monthly basis, Qatar's exports to China and Japan witnessed 39.04% and 13.16% growth respectively; while those to India, Singapore and South Korea declined 15.3%, 8.46% and 5.4% in the review period. On a yearly basis, Qatar's exports to South Korea had seen a huge 54.95% plunge, Japan 53.37%, India 43.97%, Singapore 34.3% and China 15.07%. The country's re-exports amounted to QR0.57bn in July 2020, which plummeted 46% on a monthly basis and 6.7% YoY. Qatar's total imports (valued at cost insurance and freight) amounted to QR7.35bn, which showed a 7.1% jump month-on-month; even as it declined 19.5% on a yearly basis in the review period. In July 2020, imports from the US stood at QR1.03bn, which accounted for 14% of the total imports; China QR0.99bn (14%), the UK QR0.64bn (9%), India QR0.42bn (6%) and Germany QR0.41bn (6%). On a monthly basis, the country's imports from the UK more than doubled, those from India soared 14.64% and the US 3.96%; while those from Germany shrank 35.59% and China 15.47%. On a yearly basis, Qatar's imports from Germany declined 35.28%, the US 30.08%, China 22.06%, the UK 16.32% and India 7.78%. (Gulf-Times.com)
- Paiton Energy mega sale is said to draw Southeast Asian bidders** – Bidders from across Southeast Asia submitted non-binding offers for Indonesia's PT Paiton Energy, in a sale process that could value the independent power producer at as much as \$4bn including debt, people with knowledge of the matter said. Japan's Mitsui & Co., Qatari energy investment firm Nebras Power QSC and Jera Co., which collectively own 95% of Paiton, have hired advisers to help with the potential sale of their

stakes, the people said. The owners collected the first-round bids earlier this month, the people said, asking not to be identified as the matter is private. Malaysia's YTL Group is bidding in a consortium with Paiton's existing minority shareholder PT Toba Bara Sejahtera, the people said. The consortium is only vying for Mitsui's 45.5% stake, they said. There are other potential suitors from Southeast Asia for the asset, they said. Toba Bara has owned a stake in Paiton since 2018, when it bought PT Batu Hitam Perkasa. Batu Hitam owned 5% of Paiton, according to a Nebras press release. Deliberations are ongoing and the sellers could still choose to keep their respective stakes in Paiton, the people said. While the sale processes are being run separately, there remains a possibility that the owners could decide to collaborate on the deal, they said. Nebras, which is 60% owned by Qatar Electricity & Water (QEWS), bought a 35.5% stake in Paiton for \$1.27bn in February 2016. We note there have been previous reports of Nebras looking to sell its stake in Paiton in March 2019 but Nebras had denied such reports. (QNBFS Research, Bloomberg)

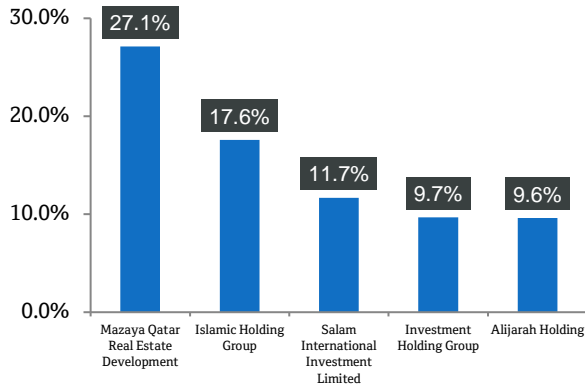
- MARK completes successful issuance of \$750mn Sukuk** – Masraf Al Rayan (MARK) rated A1 by Moody's with a stable outlook, has announced the successful issuance of \$750mn Sukuk with a term of 5 years under the Bank's existing \$2bn Sukuk program. MARK's Sukuk issuance was 4.4 times oversubscribed (\$3.3bn). The overwhelming demand from investors has allowed the Bank to increase the issue size from an initial US\$500mn to US\$750mn. The issuance was priced at a spread of 185 basis points over the 5-year mid swap carrying a fixed profit rate of 2.21% per annum. MARK's Sukuk issuance has attracted investors from across the globe with 41% from Europe, 28% from Asia, 24% from MENA and 7% from US offshore accounts. By investor type, 69% were allocated to fund managers, 15% to banks and private banks, 8% to Agencies and 8% to insurance and pension funds. The success of the issuance was based on a comprehensive marketing strategy that aimed to demonstrate the strong fundamentals of MARK and the strength of the Qatari economy to the international investors. Al Rayan Investment, Crédit Agricole CIB, HSBC, Mizuho, MUFG, QNB Capital, Société Générale and Standard Chartered Bank acted as Joint Lead Managers & Bookrunners on this transaction. (QSE)
- IQCD to hold EGM on September 13** – Industries Qatar (IQCD), one of the region's industrial giants with holdings in petrochemicals, fertilizers and steel producers, will hold an Extra Ordinary General Assembly (EGM) meeting electronically, using Zoom application platform, on Sunday, September 13, 2020 at 4:30 pm Doha Time. The agenda of the Extra Ordinary General Assembly meeting include seeking approval for the purchase of the 25% stake in Qatar Fertiliser Company (QAFCO) from Qatar Petroleum for a purchase consideration of \$1bn and the proposed amendments to the Company's Articles of Association concerning the constitution of the Company's Board of Directors. The new composition of the Board of Directors shall come into effect from the upcoming term of the Board that will start from the date of holding the General Assembly meeting to approve the financial statements

of the financial year ending 31 December 2020, among others. (QSE, Gulf-Times.com, Peninsula Qatar)

- **Qatar banks' assets expand in double digit in July on robust credit offtake** – The private and public sectors witnessed robust credit offtake, leading to Doha's commercial banks' assets expand in double digit YoY in July 2020 amidst Covid-19 challenges, according to the Qatar Central Bank (QCB) data. Total assets of commercial banks stood at QR1.6tn with domestic assets constituting QR1.39tn, or 87%, of the total, and overseas assets at QR0.22bn, or 13% of the total. The domestic assets of the commercial lenders witnessed more than 12% YoY expansion at the end of July 31, 2020 on a robust growth trajectory especially in the case of credit, securities portfolio, investments in associates and subsidiaries and other non-specified assets. In the case of overseas assets, the commercial banks witnessed a marginal 0.23% growth. Total credit of the commercial banks grew about 11% YoY to QR1.09tn at the end of review period. They constituted about 68% of the total assets of the banks. The commercial banks' domestic credit expanded more than 12% YoY to QR1.01tn; whereas overseas credit fell about 7% to QR72.74bn in the review period. Total private sector credit registered about 11% YoY expansion to QR729.69bn, or 67%, of the total credit this July, and public sector credit by about 11% to QR341.9bn, while non-banking finance credit declined about 4% to QR13.98bn in the review period. The commercial banks' total securities portfolio amounted to QR195.51bn, which saw about 7% year increase in July this year. Domestic portfolio was seen growing at 8% to QR177.29bn and overseas portfolio by a marginal 0.22% to QR18.22bn. Of the total QR195.51bn total securities portfolio; debt (conventional) was to the extent of QR115.86bn, which rose about 8% YoY; and Sukuk (Islamic) QR75.39bn (6%). The domestic debt grew more than 9% on a yearly basis to QR103.32bn or 89% of the total debt in July 2020, while the overseas debt fell 2% to QR12.64bn. The government debt grew about 14% YoY to QR96.68bn; whereas that of the banks declined 4% to QR5.49bn at the end of July 2020. Of the QR75.39bn domestic Sukuk, the government's issuance amounted to QR68.22bn (up more than 4%) and those from the banks stood at QR3.39bn (46%) during the review period. The commercial banks' claim on the central bank increased about 32% year-on-year to QR82.96bn at the end of July 31, 2020, of which required reserve amounted to QR39.46bn that expanded 7% on a yearly basis. (Gulf-Times.com)

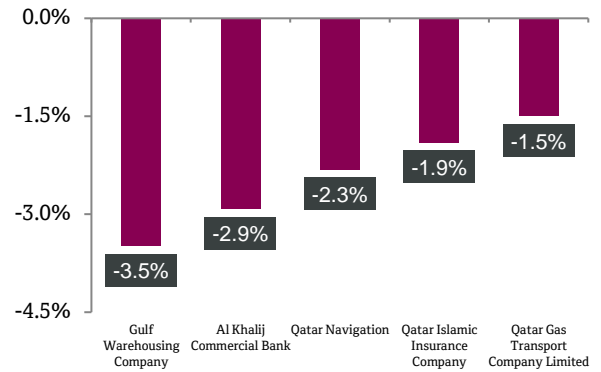
Qatar Stock Exchange

Top Gainers



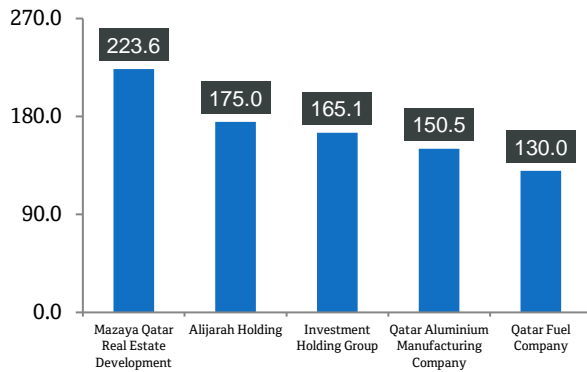
Source: Qatar Stock Exchange (QSE)

Top Decliners



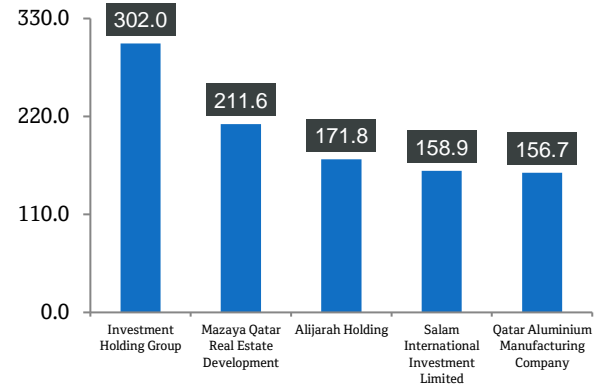
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



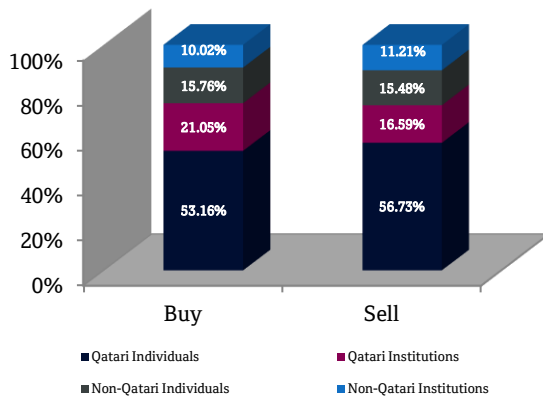
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



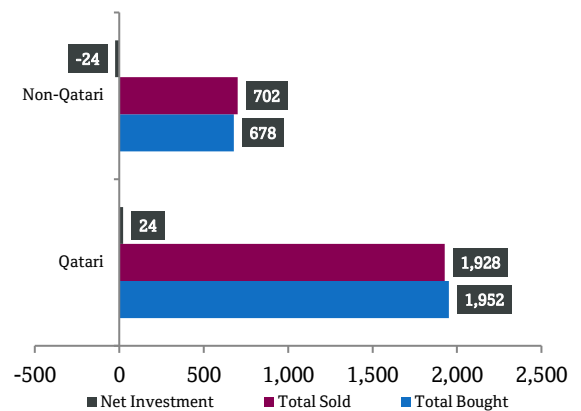
Source: Qatar Stock Exchange (QSE)

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 QE Index closed in the green for the third week, gaining 1.19% from the week before and finishing at the 9,882.93 level. It remains to be moving above its 200-day moving average, which means we are expected to tick higher as the trend strengthens. Our weekly resistance level is expected to be at the 10,000 points, which is a psychological level, but the stronger resistance is to be expected at the 10,400 level. Our support remains at the 9,400 level

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 August 27	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	18.36	(0.76)	(10.83)	169,581	14.6	2.4	3.3
Qatar Islamic Bank	16.19	0.25	5.61	38,256	13.5	2.3	3.2
Commercial Bank of Qatar	4.10	(0.49)	(12.77)	16,594	9.4	0.9	4.9
Doha Bank	2.41	(0.82)	(4.74)	7,472	14.3	0.8	N/A
Al Ahli Bank	3.23	0.00	(3.10)	7,848	12.9	1.3	4.4
Qatar International Islamic Bank	8.56	0.47	(11.62)	12,950	14.7	2.2	5.0
Masraf Al Rayan	4.19	0.84	5.68	31,388	14.3	2.4	5.4
Al Khaliji Bank	1.63	(2.92)	24.27	5,861	9.8	1.0	4.6
Qatar First Bank	1.42	0.57	73.59	994	N/A	2.0	N/A
National Leasing	1.05	9.60	48.94	520	19.4	0.8	4.8
Diala Holding	1.95	(0.81)	219.15	554	N/A	2.8	N/A
Qatar & Oman Investment	0.90	2.74	34.53	284	34.2	1.0	2.2
Islamic Holding Group	4.68	17.59	146.32	265	86.5	1.9	N/A
Banking and Financial Services				292,564			
Zad Holding	15.40	1.25	11.43	3,650	18.0	2.5	5.5
Qatar German Co. for Medical Devices	2.52	2.78	332.47	291	N/A	9.9	N/A
Salam International Investment	0.58	11.69	12.77	666	N/A	0.4	N/A
Baladna	1.94	5.38	93.90	3,686	N/A	1.7	1.1
Medicare Group	7.62	4.24	(9.82)	2,145	29.6	2.2	23.6
Qatar Cinema & Film Distribution	3.50	(0.31)	59.09	220	47.9	1.6	2.9
Qatar Fuel	18.34	2.00	(19.91)	18,235	19.4	2.3	4.4
Qatar Meat and Livestock	7.00	0.00	3.55	1,260	14.7	3.6	4.3
Mannai Corp.	3.00	4.53	(2.60)	1,369	N/A	0.7	6.7
Al Meera Consumer Goods	20.21	(1.37)	32.09	4,042	20.4	3.0	4.2
Consumer Goods and Services				35,563			
Qatar Industrial Manufacturing	3.02	6.91	(15.55)	1,433	15.3	0.9	5.0
Qatar National Cement	4.01	1.98	(29.03)	2,621	19.0	0.9	7.5
Industries Qatar	9.85	9.43	(4.18)	59,593	37.8	1.8	4.1
Qatari Investors Group	2.14	(1.29)	19.66	2,663	26.4	1.0	2.6
Qatar Electricity and Water	17.47	0.52	8.58	19,217	13.2	2.2	4.4
Aamal	0.89	5.11	8.86	5,576	34.8	0.7	4.5
Gulf International Services	1.67	1.46	(2.79)	3,107	45.0	0.9	N/A
Mesaieed Petrochemical Holding	2.13	0.47	(14.98)	26,810	26.1	1.7	3.3
Invesment Holding Group	0.57	9.69	0.35	470	10.9	0.6	N/A
Qatar Aluminum Manufacturing	0.96	3.91	22.41	5,335	N/A	0.9	1.0
Industrials				126,823			
Qatar Insurance	2.10	(0.24)	(33.54)	6,859	N/A	0.9	7.1
Doha Insurance	1.15	1.68	(4.25)	575	13.1	0.6	7.0
Qatar General Insurance & Reinsurance	2.24	0.58	(8.78)	1,964	N/A	0.4	N/A
Al Khaleej Takaful Insurance	1.90	4.57	(5.10)	485	15.0	0.9	2.6
Qatar Islamic Insurance	6.28	(1.91)	(5.96)	942	13.9	2.6	6.0
Insurance				10,824			
United Development	1.21	2.45	(20.33)	4,288	19.0	0.4	4.1
Barwa Real Estate	3.37	0.75	(4.94)	13,094	8.2	0.7	5.9
Ezdan Real Estate	1.43	0.70	132.52	37,931	773.0	1.2	N/A
Mazaya Qatar Real Estate Development	1.19	27.12	64.95	1,373	53.6	0.1	N/A
Real Estate				56,686			
Ooredoo	6.70	0.37	(5.42)	21,449	12.8	1.0	3.7
Vodafone Qatar	1.30	(0.92)	11.64	5,474	37.7	1.2	3.9
Telecoms				26,923			
Qatar Navigation (Milaha)	5.86	(2.32)	(3.93)	6,711	12.5	0.5	5.1
Gulf Warehousing	5.12	(3.49)	(6.57)	300	12.6	1.7	3.9
Qatar Gas Transport (Nakilat)	2.76	(1.50)	15.36	15,275	14.3	2.5	3.6
Transportation				22,286			
Qatar Exchange				574,368			

Source: Bloomberg

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