

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index declined by 110.22 points or 1.04% during the trading week to close at 10,503.10. Market capitalization fell by 0.9% to QR577.6 billion (bn) versus QR582.9bn the previous trading week. Of the 46 listed companies, 9 companies ended the week higher, while 32 declined and 5 remained unchanged. Qatar Gas Transport Co. (QTS) was the best performing stock for the week with a gain of 4.3% on a trading volume of 9.3 million (mn) shares. On the other hand, Gulf International Services (GISS) was the worst performing stock for the week with a decline of 6.8% on 3.6mn shares traded.

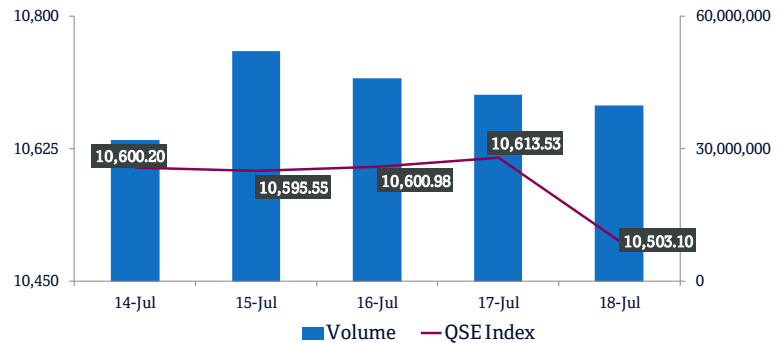
Industries Qatar (IQCD) and Qatar Islamic Bank (QIBK) were the primary contributors to the weekly index decline. IQCD was the biggest contributor to the index's weekly decrease, deleting 46.2 points from the index. QIBK was the second biggest contributor to the mentioned loss, erasing 18.5 points from the index. Moreover, WOQOD (QFLS) deleted 17.3 points from the index.

Trading value during the week decreased by 16.8% to QR0.73bn versus QR0.88bn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 47.4% of the total trading value. The Industrials sector was the second biggest contributor to the overall trading value, accounting for 19.6% of the total. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR171.8mn.

Trading volume decreased by 29.5% to reach 212.2mn shares versus 300.9mn shares in the prior week. The number of transactions fell by 25.3% to 20,237 transactions versus 27,103 transactions in the prior week. The Banks and Financial Services sector led the trading volume, accounting for 32.4%, followed by the Real Estate sector which accounted for 24.0% of the overall trading volume. Ezdan Holding (ERES) was the top volume traded stock during the week with 28.0mn shares.

Foreign institutions turned bearish with net selling of QR32.1mn vs. net buying of QR57.1mn in the prior week. Qatari institutions turned bullish with net buying of QR66.5mn vs. net selling of QR26.3mn in the week before. Foreign retail investors turned positive with net buying of QR1.2mn vs. net selling of QR26.3mn in the prior week. Qatari retail investors remained bearish with net selling of QR35.6mn vs. net selling of QR27.9mn the week before. Foreign institutions have bought (net basis) ~\$1.27bn worth of Qatari equities in 2019.

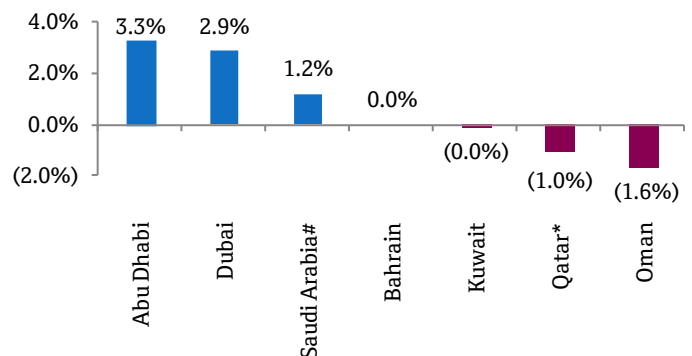
QSE Index and Volume



Market Indicators	Week ended July 18, 2019	Week ended July 11, 2019	Chg. %
Value Traded (QR mn)	732.4	880.2	(16.8)
Exch. Market Cap. (QR mn)	577,575.3	582,905.2	(0.9)
Volume (mn)	212.2	300.9	(29.5)
Number of Transactions	20,237	27,103	(25.3)
Companies Traded	46	46	0.0
Market Breadth	9:32	25:17	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	19,326.59	(1.0)	0.5	6.5
ALL Share Index	3,105.57	(0.9)	0.2	0.9
Banks and Financial Services	4,092.96	(0.2)	0.7	6.8
Industrials	3,159.84	(2.4)	(2.9)	(1.7)
Transportation	2,598.99	2.1	1.9	26.2
Real Estate	1,539.30	(2.1)	1.3	(29.6)
Insurance	3,124.19	(2.4)	0.6	3.8
Telecoms	938.45	(0.7)	3.8	(5.0)
Consumer Goods & Services	8,110.53	(2.2)	0.3	20.1
Al Rayan Islamic Index	4,040.77	(1.3)	(0.6)	4.0

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*	10,503.10	(1.0)	0.5	2.0	200.26	158,602.2	14.9	1.6	4.2
Dubai	2,762.98	2.9	3.9	9.2	296.30	98,550.3	11.3	1.0	4.5
Abu Dhabi	5,218.13	3.3	4.8	6.2	259.01	141,111.5	15.4	1.5	4.8
Saudi Arabia#	9,075.55	1.2	2.9	16.0	4,680.64	571,524.7	20.2	2.0	3.3
Kuwait	6,124.63	(0.0)	5.0	20.6	623.38	114,566.0	15.3	1.5	3.4
Oman	3,747.69	(1.6)	(3.5)	(13.3)	20.89	16,560.3	7.2	0.8	7.3
Bahrain	1,537.78	0.0	4.5	15.0	18.52	24,060.3	11.0	1.0	4.9

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; # Data as of July 17, 2019)

Economic & Market News

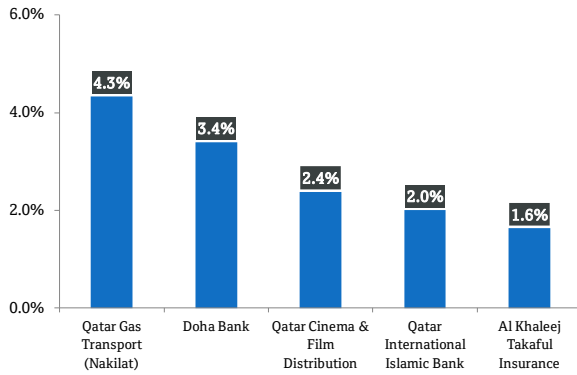
- Foreign investments in Qatar rise to QR722.6bn in 1Q2019** – Foreign investments, including foreign direct investment (FDI) and portfolio investment, in Qatar amounted to QR722.6bn by the end of the first quarter of this year, rose 1.1% QoQ. When compared on yearly basis the level of investments in Qatar has increased by 6.6% in 1Q2019, according to the quarterly Foreign Investment survey by the Planning and Statistics Authority and Qatar Central Bank (QCB). Qatar's FDI has increased by QR400mn to QR123.7bn in 1Q2019 from QR123.3bn in the previous quarter. On YoY it has slipped marginally by QR200mn compared to QR123.9bn in 1Q2018. The survey covers major enterprises - private and public - operating in the national economy. It targeted some of the largest enterprises in the private sector which accounted for 84% of the value of inward FDI of non-banks enterprises in 2016, while QCB surveyed all financial institutions under its supervision. Other foreign investments accounted for 67.9%, followed by foreign direct investment at 17.1%, portfolio investments at 14.6%, and financial derivatives at 0.4% of the total liabilities. Qatar's assets with non-residents (outward investment) at the end 1Q2019 increased by QR17.7bn from QR392.2bn at the end of the previous quarter to QR409.9bn. During 1Q2019, stock of outward FDI had increased by QR7bn due to net outflows of FDI and other changes during the quarter, noted the findings of the survey. (Peninsula Qatar)
- Qatar's consumer price index increases in June** – Qatar's consumer price index (CPI) for the month of June 2019 reached 108.39 point (base year is 2013), showing an increase of 0.67% compared to the CPI of May 2019. Compared to the CPI of June 2018, YoY basis, a decrease of 0.41% has been recorded in the general index (CPI) of June 2019. An analysis on MoM basis of CPI for June 2019 showed indices of five main groups have increased, namely: food and beverages by 3.76%, clothing and footwear by 2.32%, transport by 1.12%, miscellaneous goods and services by 0.66%, and restaurants and hotels by 0.05%. A decrease in index was seen in 'housing, water, electricity and other fuel' by 0.42%, furniture and household equipment by 0.25%. A comparison of the CPI of June 2019 with the CPI of June 2018 (annual change), a decrease of 0.41% has been noted in the general index. This YoY price decrease was primary due to the decreasing prices seen in the four groups, namely: communication by 10.45%, recreation and culture by 9.37%, 'housing, water, electricity and other fuel' by 2.57%, and miscellaneous goods and services by 0.38%. (Qatar Tribune)
- PSA: Qatar's industrial production index rises 4.5% in May** – Qatar's industrial production index (IPI) has reached 106.2 points in May 2019, an increase by 4.5% compared to the previous month of 2019, but a decrease by 0.6%, when compared to the corresponding month of 2018. This was revealed in the official data released by the Planning and Statistics Authority (PSA). The report stated the index examines the economic output of the country by detailing the growth of various industrial sectors in economy such as mining, manufacturing, production of electricity and water production, and desalination. The index is a short-term quantitative measure of changes in the volume of productions of a selected basket of industrial products. Mining increased by 5.6% compared to the previous month. This was due to the increase in the quantities of 'crude oil and natural gas' by 5.6%, while 'other mining and quarrying' showed a decrease by 3%. On an annual basis, the IPI of mining decreased by 0.2%. Manufacturing showed a decline of 1.1% on a monthly basis. The groups showing decreases include: 'manufacture of food products' by 4.2%, 'manufacture of cement and other non-metallic mineral products' by 4.1%, 'manufacture of chemicals and chemical products' by 2.2%, 'manufacture of rubber and plastics products' by 0.2%. (Qatar Tribune)
- NDS-2 accelerates Qatar's growth** – With the government advancing its second National Development Strategy (NDS-2) that sees the private sector assume greater importance in driving diversification, Qatar's economic growth has accelerated. NDS-2 also prioritizes raising the average productivity of its local and foreign workers. The country's public finances and investor confidence have recovered since the 2017 blockade, after the government exercised spending restraint, injected liquidity into the banking system, rerouted impacted trade flows and benefitted from higher energy prices, NBK stated in its 'Qatar Macroeconomic Outlook 2019-21.' Qatar's growth is expected to accelerate to 2.6% in 2019 from 1.6% in 2018, driven by a recovery in hydrocarbon sector output (0.4%) and ongoing gains in non-hydrocarbon activity (4.4%) as the government's expansive public investments bear fruit. Over the medium term, as infrastructure projects related to the FIFA World Cup 2022 and work on the broader Qatar National Vision 2030 advances, non-oil growth is expected to moderate to around 4% by 2021. By this time, the private sector should have assumed a greater role in driving diversification through greater-value add – in sectors such as manufacturing, services, transportation and real estate – as per 2018's Qatar National Development Strategy 2018-2022. (Peninsula Qatar)
- ValuStrat: Total 26,890 hotel rooms across 129 properties in Qatar** – A total number of 26,890 hotel rooms were available across 129 properties in Qatar, according to consulting and research firm ValuStrat. There were no additions during the second quarter according to ValuStrat stated in a report. Until May, visitor arrivals reached 922,132, up by 11% compared to the same period last year. Hotel operators continue to reduce room rates to attract more guests. Average Daily Rate (ADR) across all star categories on average declined 6% YoY for the first five months of 2019, a result of which led to hotel occupancy increasing to 66% from 60% last year, ValuStrat stated. Qatar's organized retail stock reached 1.81mn square meters Gross leasable area (GLA) as of 2Q2019, owing to new additions of neighborhood retail centers in Lusail. Galeries Lafayette (4,350 square meters GLA) announced a soft opening of its flagship store within Katara Cultural Village. "Amid competition from newly opened super regional malls, relatively older shopping centers have reduced asking rents by an estimated 5% YoY in order to maintain occupancy. Median monthly asking rent among street retail units in Doha stood at QR195 per square meters and outside Doha at QR180 per square

meters,” ValuStrat stated. Average asking rents for temperature-controlled warehouses intended for food and chemical storage fell by 3% QoQ and 11% YoY, ValuStrat noted. (Gulf-Times.com)

- **ValuStrat: Qatar’s freehold ownership law may lead to long-term real estate investments by expats** – Government initiatives such as the introduction of freehold ownership law could lead to more long-term real estate investments by expatriates in Qatar, ValuStrat has stated in its latest report. Residential supply reached 294,700 units as of the second quarter of 2019 with the delivery of 1,700 apartments and villas in The Pearl, Lusail, Ferej Bin Mahmoud, Old Ghanim, Ferej Abdul Aziz, Musheireb, Al Dafna, Al Kheesa, Al Wajba and Umm Salal Ali. Projected completion for the remaining quarters of 2019 has been adjusted to 9,000 units, 70% of which is planned for Lusail and The Pearl. (Qatar Tribune)
- **IGRD to disclose 2Q2019 financial statements on August 04** – Investment Holding Group (IGRD) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 04, 2019. (QSE)
- **MRDS to disclose 2Q2019 financial statements on July 31** – Mazaya Qatar Real Estate Development (MRDS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 31, 2019. (QSE)
- **QNCD to disclose 2Q2019 financial statements on August 01** – Qatar National Cement Company (QNCD) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 01, 2019. (QSE)
- **AHCS to disclose 2Q2019 financial statements on July 30** – Aamal Company (AHCS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 30, 2019. (QSE)
- **VFQS to disclose 2Q2019 financial statements on July 29** – Vodafone Qatar (VFQS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 29, 2019. (QSE)
- **MERS to disclose 2Q2019 financial statements on August 06** – Al Meera Consumer Goods Company (MERS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 06, 2019. (QSE)
- **QCFS to disclose 2Q2019 financial statements on July 29** – Qatar Cinema & Film Distribution Company (QCFS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 29, 2019. (QSE)
- **QATI to disclose 2Q2019 financial statements on July 30** – Qatar Insurance Company (QATI) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 30, 2019. (QSE)
- **QNNS to disclose 2Q2019 financial statements on July 29** – Qatar Navigation (QNNS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 29, 2019. (QSE)

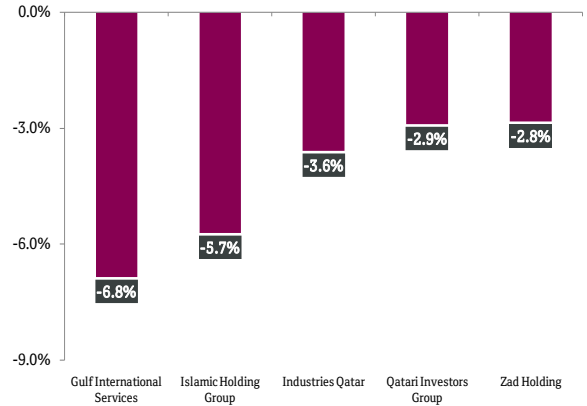
Qatar Stock Exchange

Top Gainers



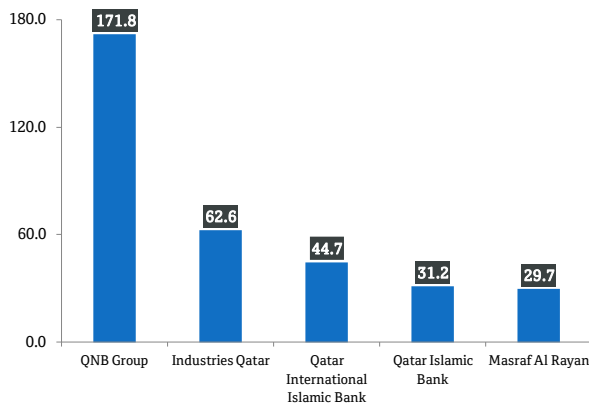
Source: Qatar Stock Exchange (QSE)

Top Decliners



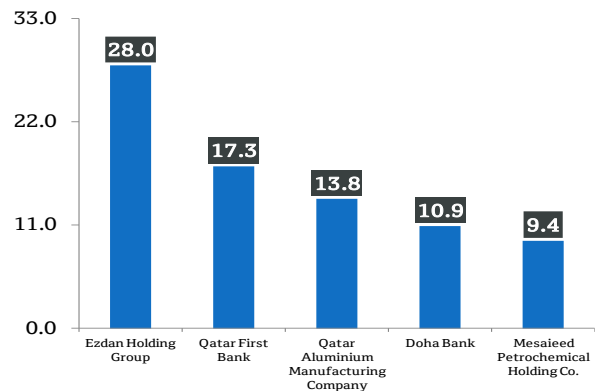
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



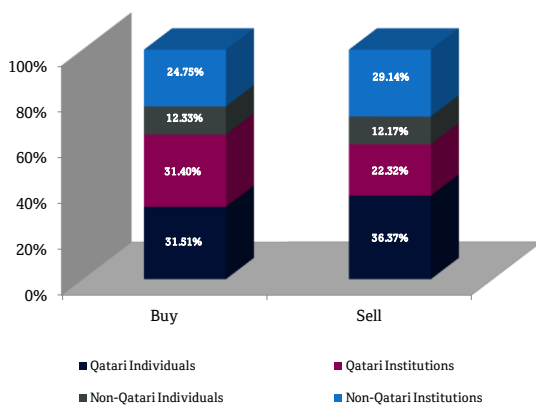
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



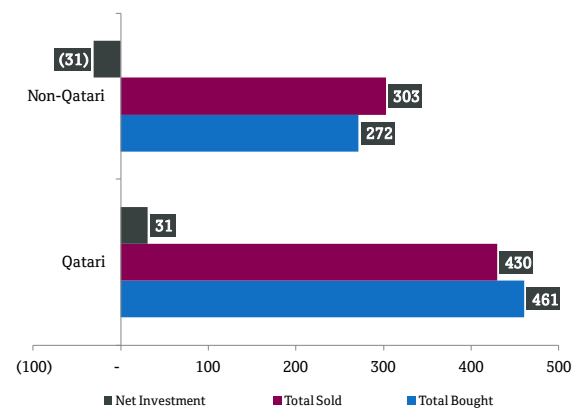
Source: Qatar Stock Exchange (QSE)

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 down by 1.04% from the week before, and closed at 10,503.10. The bullish-continuation pattern, which has been created over the course of few months, has not been confirmed yet. We keep our next expected resistance level at 10,800 points and the 9,700 as our weekly support 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 July 18	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	19.25	0.00	(1.28)	177,801	13.8	2.6	3.1
Qatar Islamic Bank	17.00	(1.45)	11.84	40,170	15.2	2.6	2.9
Commercial Bank of Qatar	4.70	(1.47)	19.32	19,022	12.8	1.1	3.2
Doha Bank	2.74	3.40	23.42	8,495	15.8	1.0	3.6
Al Ahli Bank	3.00	(0.33)	17.86	6,942	11.8	1.3	3.0
Qatar International Islamic Bank	7.62	2.01	15.25	11,534	13.5	2.1	5.2
Masraf Al Rayan	3.82	0.00	(8.35)	28,650	13.4	2.2	5.2
Al Khaliji Bank	1.17	(1.68)	1.39	4,212	7.5	0.8	6.4
Qatar First Bank	0.40	(1.23)	(1.23)	806	N/A	0.8	N/A
National Leasing	0.79	(0.88)	(10.69)	388	35.4	0.6	6.4
Diala Holding	0.91	(0.33)	(8.90)	259	N/A	1.2	N/A
Qatar & Oman Investment	0.57	0.53	6.93	180	70.6	0.6	5.3
Islamic Holding Group	2.48	(5.70)	13.50	140	387.0	1.0	N/A
Banking and Financial Services				298,600			
Zad Holding	12.72	(2.83)	22.31	1,830	14.1	1.9	6.6
Qatar German Co. for Medical Devices	0.76	(2.31)	34.63	88	N/A	2.5	N/A
Salam International Investment	0.41	(1.90)	(4.39)	473	N/A	0.4	N/A
Medicare Group	8.09	(0.61)	28.21	2,277	27.0	2.4	22.2
Qatar Cinema & Film Distribution	2.15	2.38	13.04	135	15.2	0.9	7.0
Qatar Fuel	21.00	(2.64)	26.51	20,879	17.4	2.7	3.8
Qatar Meat and Livestock	6.40	(1.54)	(8.57)	1,152	10.4	3.6	7.0
Mannai Corp.	3.84	(1.54)	(30.12)	1,752	4.8	0.7	5.2
Al Meera Consumer Goods	14.33	(0.90)	(3.18)	2,866	15.6	2.2	5.9
Consumer Goods and Services				31,453			
Qatar Industrial Manufacturing	3.77	0.00	(11.71)	1,792	9.8	1.2	6.6
Qatar National Cement	6.30	0.80	5.88	4,117	12.7	1.4	7.9
Industries Qatar	11.03	(3.58)	(17.45)	66,732	15.1	2.1	5.4
Qatari Investors Group	2.35	(2.89)	(15.50)	2,922	16.9	1.1	3.2
Qatar Electricity and Water	16.51	(1.02)	(10.76)	18,161	12.5	1.9	4.7
Aamal	0.79	(0.13)	(10.29)	4,996	11.8	0.6	7.6
Gulf International Services	1.77	(6.84)	4.12	3,289	N/A	0.9	N/A
Mesaieed Petrochemical Holding	2.58	(0.77)	71.66	32,413	24.7	2.3	3.1
Invesment Holding Group	0.57	(1.90)	15.95	471	7.9	0.6	4.4
Qatar Aluminum Manufacturing	1.00	(0.10)	(25.47)	5,552	N/A	N/A	2.0
Industrials				140,444			
Qatar Insurance	3.55	(2.74)	(1.11)	11,595	19.1	1.5	4.2
Doha Insurance	1.19	(0.83)	(9.09)	595	12.0	0.6	6.7
Qatar General Insurance & Reinsurance	3.80	0.00	(15.33)	3,325	15.9	0.5	2.6
Al Khaleej Takaful Insurance	1.87	1.63	117.70	477	16.6	0.9	2.7
Qatar Islamic Insurance	5.78	(0.34)	7.61	867	13.4	2.6	6.1
Insurance				16,859			
United Development	1.41	(2.08)	(4.41)	4,993	10.9	0.5	7.1
Barwa Real Estate	3.46	(2.81)	(13.30)	13,464	7.0	0.7	7.2
Ezdan Real Estate	0.72	(1.64)	(44.68)	19,045	31.4	0.6	N/A
Mazaya Qatar Real Estate Development	0.81	0.87	4.10	940	82.0	0.6	6.2
Real Estate				38,441			
Ooredoo	6.94	(1.14)	(7.47)	22,230	14.8	1.0	3.6
Vodafone Qatar	1.41	0.00	(9.73)	5,960	41.8	1.3	3.5
Telecoms				28,190			
Qatar Navigation (MilaHa)	6.43	(1.23)	(2.59)	7,364	13.7	0.5	4.7
Gulf Warehousing	4.90	0.41	27.37	287	12.0	1.8	3.9
Qatar Gas Transport (Nakilat)	2.41	4.33	34.41	13,352	18.8	21.2	4.1
Transportation				21,003			
Qatar Exchange				577,575			

Source: Bloomberg

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