

Market Review and Outlook

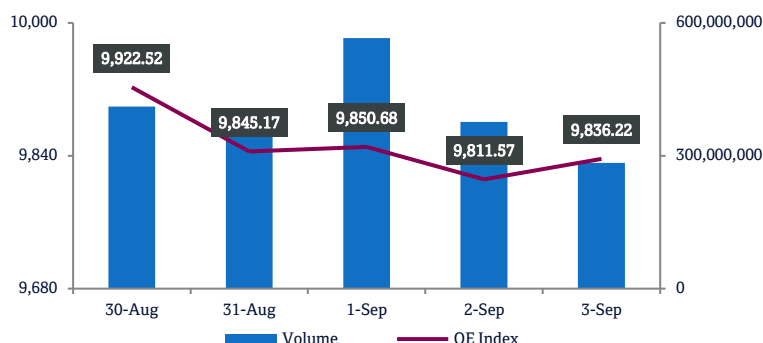
The Qatar Stock Exchange (QSE) Index decreased by 0.47% during the week, to close at 9,836.22. Market capitalization decreased by 0.2% to reach QR573.3 billion (bn) as compared to QR574.4bn at the end of the previous week. Of the 47 listed companies, 20 companies ended the week higher, while 26 fell and 1 remained unchanged. Investment Holding Group (IGRD) was the best performing stock for the week, with a gain of 12.2%. On the other hand, Inma Holding (IHGS) was the worst performing stock with a decline of 5.3%.

QNB Group (QNBK), Qatar Islamic Bank (QIBK) and Nakilat (QGTS) were the primary contributors to the weekly index loss. QNBK was the largest contributor to the index's weekly decline, removing 25.9 points from the index. QIBK was the second biggest contributor to the mention losses, deleting 15.8 points from the index. Moreover, QGTS erased 12.0 points from the overall index.

Trading value during the week increased by 21.9% to reach QR3,205.7mn vs. QR2,629.6mn in the prior trading week. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR369.7mn.

Trading volume increased by 19.2% to reach 2,045.1mn shares vs. 1,715.2mn shares in the prior trading week. The number of transactions increased by 8.1% to reach 60,580 transactions versus 56,058 transactions in the prior week. Investment Holding Group (IGRD) was the top volume traded stock during the week with total traded volume of 520.5mn shares.

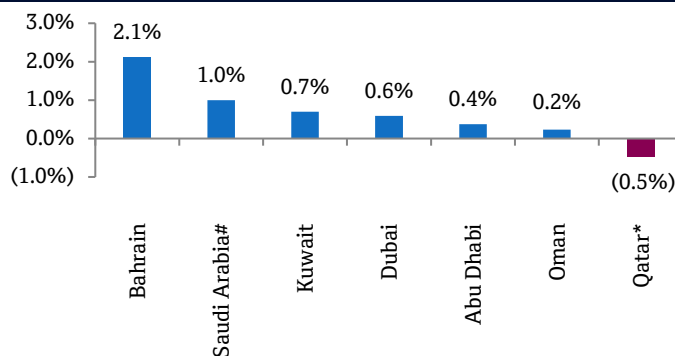
QSE Index and Volume



Market Indicators	Week ended September 03, 2020	Week ended August 27, 2020	Chg. %
Value Traded (QR mn)	3,205.7	2,629.6	21.9
Exch. Market Cap. (QR mn)	573,259.4	574,368.2	(0.2)
Volume (mn)	2,045.1	1,715.2	19.2
Number of Transactions	60,580	56,058	8.1
Companies Traded	47	46	2.2
Market Breadth	20:26	31:14	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	18,909.80	(0.5)	(0.1)	(1.4)
ALL Share Index	3,045.19	(0.7)	(0.1)	(1.7)
Banks and Financial Services	4,099.54	(1.5)	(0.4)	(2.9)
Industrials	2,996.95	1.1	1.3	2.2
Transportation	2,810.84	(1.1)	(1.1)	10.0
Real Estate	1,728.79	3.6	2.4	10.5
Insurance	2,118.72	0.2	(0.9)	(22.5)
Telecoms	894.88	(2.6)	(1.7)	(0.0)
Consumer Goods & Services	8,092.46	(1.3)	(1.4)	(6.4)
Al Rayan Islamic Index	4,076.74	0.4	0.4	3.2

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*	9,836.22	(0.5)	(0.1)	(5.7)	1,270.57	155,697.3	16.0	1.5	4.1
Dubai	2,282.70	0.6	1.7	(17.4)	766.74	46,350.3	8.6	0.8	4.2
Abu Dhabi	4,552.20	0.4	0.7	(10.3)	610.88	185,185.2	16.6	1.3	5.4
Saudi Arabia#	8,013.44	1.0	0.9	(4.5)	14,294.77	2,421,890.7	29.3	2.0	2.7
Kuwait	5,325.95	0.7	0.6	(15.2)	621.60	100,599.8	28.3	1.3	3.7
Oman	3,746.19	0.2	(0.7)	(5.9)	25.49	16,807.6	11.1	0.8	6.5
Bahrain	1,410.20	2.1	2.1	(12.4)	15.37	21,287.1	13.1	0.9	4.9

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; # Data as of September 02, 2020)

Economic /Corporate News

- ABQK completes annual update of the Base Prospectus of \$2bn EMTN program** – Ahli bank (ABQK) has completed the annual update of the Base Prospectus in relation to its \$2bn Guaranteed Euro Medium-Term Note (EMTN) program of ABQ Finance Limited (Issuer) the prospectus. ABQK has mandated Barclays, Mizuho Securities, QNB Capital and Standard Chartered Bank as JBRs for its upcoming offering under its \$2bn Euro medium term note program. A 5Y fixed rate USD Reg S senior unsecured offering will follow as early as September 1. (QSE, Bloomberg)
- QCB: Qatar's banking sector remains 'heavily targeted' sector for cyberattacks** – Qatar's banking sector remains a "heavily targeted" sector for cyberattacks, Qatar Central Bank said and noted phishing attempts and user targeted social engineering attacks represented more than 50% of the overall attacks in 2019. "This year (2019) has seen a surge in the cyber-attacks targeting the users of these organizations. Therefore, through its key risk indicators (KRIs) reporting system, the QCB's dedicated information security department (ISD) has been able to understand the patterns and anticipate on some of the cyber threats," the banking regulator said in its latest Financial Stability Report. The QCB has designed a new information and cyber security organization with a dedicated independent information security department (ISD) that not only looks after QCB itself but also the entire financial sector cyber security practice and posture. In order to achieve this, the QCB ISD has defined a governance framework, a set of security measures via technical, policy and regulatory requirements as well as reporting mechanisms at various levels. The new organization structure covers both the security governance and assurance aspects of the work. The engagement with the financial sector has been formalized with a dedicated security forum, namely the BSG (Banking Security Group) and its terms of reference, which serves as a platform to exchange information and collaborate with the banking sector primarily but also with the remaining sectors entities. Statistics showed that in 2019, the "banking sector remained a heavily targeted sector" with all the layers being seen as opportunity to steal valuable information assets, QCB noted. (Gulf-Times.com)
- Credit to trading and services sectors rise double-digit in July** – Trading and services sectors saw strong backing from Qatar's commercial banks, with them reporting a double-digit growth in credit received in July, as the country mitigates the risks to the private sector from the COVID-19 pandemic, the central bank figures suggest. The credit to these sectors outpaced the total domestic credit, according to the Qatar Central Bank (QCB) data. Total domestic credit stood at QR1.01tn at the end of July 31, 2020. The services sector saw a 34.46% yearly growth in credit to QR327.54bn, which constituted 32% of the total domestic loans this July. The credit to the general services witnessed a 32.58% YoY increase to QR291.3bn, which was 89% of the total credit to the services sector. Within the general services, credit to air transport was QR91.61bn, realty QR74.94bn, hotels QR27.61bn, non-specified QR22.24bn, land transport QR20.24bn, engineering QR19.19bn and petroleum QR9.79bn at the end of July 2020. In the case of financial services, it registered an impressive 51.7% growth to QR36.24bn at the end of July this year with large chunk directed towards investment companies (QR23.62bn), investment funds (QR6.56bn) and insurance (QR1.39bn). The banks' credit to the trading sector witnessed a 22.31% YoY surge to QR160.07bn or 16% of the total domestic loans in July 2020. (Gulf-Times.com)
- Around 15,000 more rooms for World Cup fans secured** – Around 15,000 additional rooms to accommodate visitors during the FIFA World Cup 2022 have been secured after a joint committee approved a number of residential properties for use during the tournament. In a coordinated effort by government entities in Qatar, the Housing and Governmental Buildings Department of the Ministry of Administrative Development, Labour and Social Affairs (MADLSA) and the Supreme Committee for Delivery & Legacy (SC) signed a Memorandum of Understanding (MoU) in March 2020 to lease residential properties that would be used to provide accommodation for visitors during the FIFA World Cup 2022. As part of the MoU, a joint team from both organizations reviewed a number of requests to be part of the accommodation plan. More than 150 complete, undivided properties have been approved in the first batch. These include buildings, towers and residential complexes, all of which are fully furnished, providing approximately 15,000 additional rooms for use during the tournament. As part of this initiative, work is also underway to sign five-year renewable contracts with homeowners for use during the tournament and beyond. After the FIFA World Cup 2022, the houses will be used to meet Qatar's long-term government housing needs and will form the basis of a robust government housing program that is in line with the Qatar National Vision 2030. (Gulf-Times.com)
- Qatar sets QR1,000 minimum wage for workers and domestic helps** – In a major step forward in its labor reform program, Qatar on Sunday introduced a non-discriminatory minimum wage for workers and removed the No-Objection Certificate (NoC) requirement to change jobs for employees. The Ministry of Administrative Development, Labour and Social Affairs (MADLSA) has set the monthly minimum wage at QR1,000, becoming the first country in the region to adopt a non-discriminatory minimum wage policy. The move is part of Qatar's efforts to protect the interests of employers and employees alike. The new minimum wage, which will apply to all private sector workers of all nationalities, including domestic workers, will come into force six months after the law's publication in the Official Gazette. According to Law No 17 of 2020 on Setting the Minimum Wage for Workers and Domestic Workers, the minimum wage for all private sector workers, including domestic workers, has been set at QR1,000 per month as a basic wage, besides QR500 per month allocated by the employer for accommodation and QR300 per month for food, unless the employer already provides adequate food or accommodation for the employee or domestic worker. MADLSA will be working with employers to update all employment contracts where workers earn less than the amount established by the new law. The law will provide additional stability to Qatar's labor market. The minimum wage was decided

following extensive consultations with a specialized national committee composed of relevant authorities to consider the matter. In light of the above, a Minimum Wage Committee will be formed and tasked with frequently studying and reviewing the minimum wage of workers and domestic workers. The government also introduced Decree Law No 18 of 2020 amending some provisions of Labor Law No 14 of 2004 and Decree Law No 19 of 2020 amending some provisions of 2004 Law No 21 of 2015 regulating the entry and exit of expatriates and their residence, which protects the rights of both employers and employees and facilitates the process of changing jobs. This will drive greater competition in Qatar's labor market by allowing employees to change employers and allowing employers to attract the best talent in the local market. (Qatar Tribune)

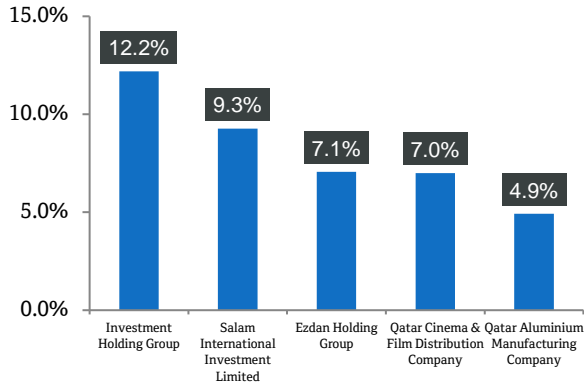
- **QIBK launches exclusive home finance offer for citizens** – Qatar Islamic Bank (QIBK) has announced the launch of an exclusive home finance offer in line with its commitment to providing the best and most competitive offers in the market for its customers. Whether customers want to buy a new home or a land, the new home finance offer allows Qatari citizens to benefit from reduced profit rates, extended grace period and waived fees when purchasing their home through QIB's Shari'ah compliant home finance program. The offer is valid for a short period of time. During this period, salaried Qatari customers will benefit from competitive home finance profit rates starting from reducing rate of 4.5% per annum inclusive of Life Takaful coverage. Customers applying for QIBK's home finance will also be eligible for the 12 months' repayment grace period allowing them to own their home today and start paying the installments after one year. (Qatar Tribune)
- **QCB: Credit stress tests indicate Qatar's banking sector at 'comfortable' position** – Credit stress tests have indicated that Qatar's banking sector is at a "comfortable" position owing to the availability of "sufficient" capital, although "traces of risk" have been identified at the individual bank level, the Qatar Central Bank has said in a report. The credit risk as measured through the level of non-performing loan (NPL) ratio declined, albeit marginally, the QCB said in its 11th Financial Stability Report. Along with the decline in NPL, coverage ratio has improved, which further eased the stress on the banks in case of any eventual loss from the non-performing loans. Improvement in NPL ratio was broad-based, the QCB noted. The ratio declined for all the economic sectors, except from the credit provided to non-residents. NPL from the non-resident sector increased by around 0.7 percentage points while the share of NPL from domestic private sector declined by 0.4 percentage points. The slippage ratio, fresh accretion to NPLs during the year from the performing credit at the beginning of the year, considerably reduced to 0.12% as compared to 0.37% reported in 2018. In nominal terms, NPL grew at a slower pace at 6.3% from the last year (23.2%). Overall, the extent of stress from credit risk declined due to improvements in asset quality and increase in coverage of delinquent loans. In order to assess the impact of probable risk due to stress on corporate and household sector balances sheet, the QCB has stressed the banking sector's credit portfolio by assuming high NPLs levels from the private sector. It assumed stress on consumption sector credit at higher rate since individual sector holds more than half of the total NPLs. A

moderate stress condition is assumed for all other sectors except the public sector. The stress test results showed that the capital ratios of the banks decline anywhere between 3.5 to 6.2 percentage points, the QCB noted. (Gulf-Times.com)

- **Moody's: IQCD has 'significant' financial flexibility to consolidate ownership in JVs** – Industries Qatar (IQCD), which is buying the remaining 25% stake in Qatar Fertiliser Company (QAFCO) from Qatar Petroleum (QP), has "substantial cash and minimal debt", giving it "significant" financial flexibility to consolidate ownership in joint ventures, Moody's, a global rating agency, has said. In its latest issuer comment, the rating agency said the market heavyweight IQCD has potential to buy the remaining 20% stake in Qatar Petrochemical Company (QAPCO) and 50% in Qatar Fuel Additives (QAFAC), when shareholder agreements expire in the coming years. IQCD reported a cash balance of \$3.1bn as on June 30, 2020. This amount consolidates cash held at QAFCO and Qatar Steel level, and on average, 65%-70% of the cash has historically been held at the IQCD holding company level. Highlighting that IQCD's proposed plan to buy the remaining 25% stake in QAFCO from QP for \$1bn is credit "positive"; Moody's said it will give IQCD full strategic, operational and financial control over QAFCO and 100% of its dividends, which in turn would increase the parent's attributable net profit. "We estimate that IQCD's attributable net profit would have been 11% higher for 2019 pro forma, if QAFCO was fully owned by IQCD instead of 75%," Moody's said, adding IQCD's fertilizer business segment, effectively the QAFCO operation, is an important earnings contributor to the IQCD group, despite its volatility. As part of the transaction, QAFCO will acquire QP's 40% stake in Qatar Melamine Company (QMC), a key subsidiary of QAFCO. Both QAFCO and QMC have also entered into a new gas sale and purchase agreement (GSPA) with QP. The GSPA is effective until 2035 and covers the natural gas needs of both companies. The new GSPA provides feedstock to QAFCO and QMC under a more simplified, competitive and favorable arrangement compared to the prior agreements. "The new GSPA will slightly improve QAFCO's cost position because it will buy natural gas feedstock from QP at a cheaper rate on average than previously. Under the announced transaction, the 25% stake that IQCD is buying will revert back to QP in December 2035, once the GSPA expires," Moody's said. (Gulf-Times.com)

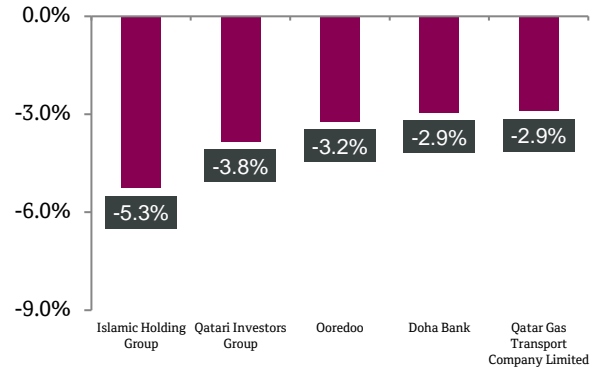
Qatar Stock Exchange

Top Gainers



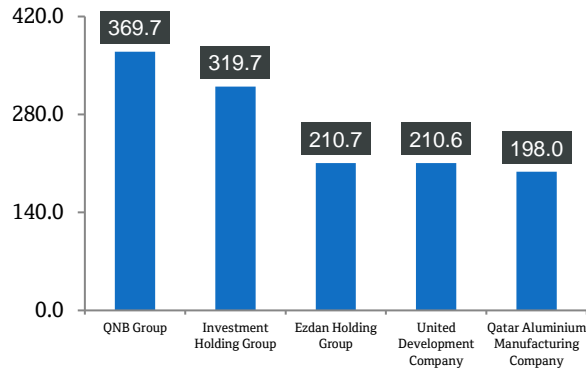
Source: Qatar Stock Exchange (QSE)

Top Decliners



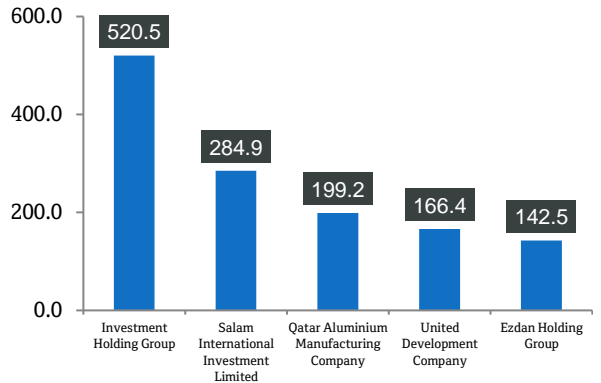
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



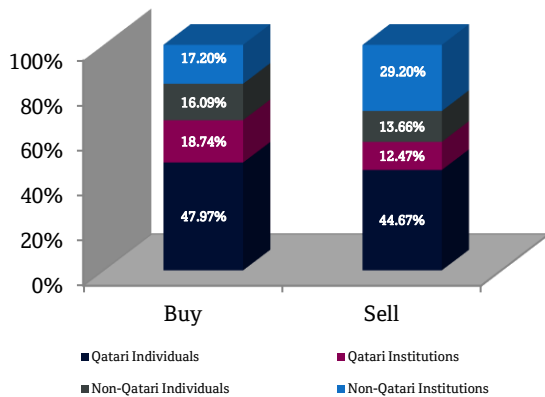
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



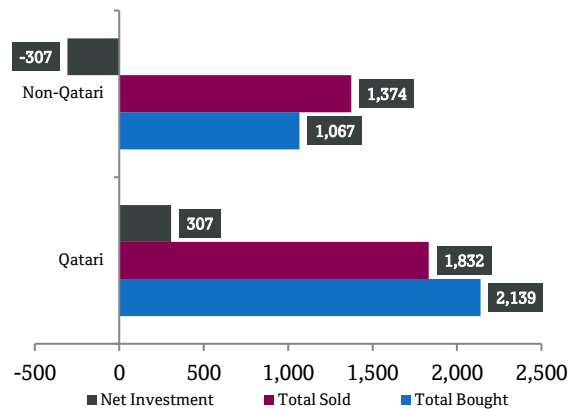
Source: Qatar Stock Exchange (QSE)

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 red for the first time in four weeks, losing only 0.47% from the week before and finishing at the 9,836.22 level. As the Index approaches the upper side of the uptrend channel and the rising-wedge formation, we may see a correction taking place. Our weekly resistance level remains at the 10,000 points, which is also a psychological 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 September 03	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	18.00	(1.96)	(12.58)	166,256	14.3	2.4	3.3
Qatar Islamic Bank	16.00	(1.17)	4.37	37,807	13.3	2.2	3.3
Commercial Bank of Qatar	4.05	(1.22)	(13.83)	16,391	9.2	0.9	4.9
Doha Bank	2.34	(2.95)	(7.55)	7,252	13.9	0.8	N/A
Al Ahli Bank	3.30	2.17	(1.00)	8,018	13.1	1.4	4.3
Qatar International Islamic Bank	8.43	(1.47)	(12.92)	12,759	14.5	2.2	5.0
Masraf Al Rayan	4.18	(0.19)	5.48	31,328	14.3	2.4	5.4
Al Khaliji Bank	1.59	(2.33)	21.37	5,724	9.6	1.0	4.7
Qatar First Bank	1.42	0.21	73.96	996	N/A	2.0	N/A
National Leasing	1.07	1.52	51.21	527	19.7	0.8	4.7
Dlala Holding	1.92	(1.44)	214.57	546	N/A	2.7	N/A
Qatar & Oman Investment	0.90	(0.56)	33.78	282	34.0	1.0	2.2
Islamic Holding Group	4.43	(5.26)	133.37	251	81.9	1.8	N/A
Banking and Financial Services				288,137			
Zad Holding	15.25	(0.97)	10.35	3,614	17.8	2.5	5.6
Qatar German Co. for Medical Devices	2.62	3.89	349.31	302	N/A	10.2	N/A
Salam International Investment	0.64	9.26	23.21	728	N/A	0.5	N/A
Baladna	1.94	(0.98)	92.00	3,686	N/A	1.7	1.1
Medicare Group	7.41	(2.77)	(12.32)	2,085	28.8	2.2	24.3
Qatar Cinema & Film Distribution	3.75	7.00	70.23	235	51.3	1.8	2.7
Qatar Fuel	18.00	(1.85)	(21.40)	17,897	19.0	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	0.07	(2.53)	1,369	N/A	0.7	6.7
Al Meera Consumer Goods	19.85	(1.78)	29.74	3,970	20.0	2.9	4.3
Consumer Goods and Services				35,147			
Qatar Industrial Manufacturing	3.10	2.82	(13.17)	1,473	15.7	0.9	4.8
Qatar National Cement	4.00	(0.25)	(29.20)	2,614	18.9	0.9	7.5
Industries Qatar	10.10	2.54	(1.75)	61,105	38.7	1.9	4.0
Qatari Investors Group	2.06	(3.83)	15.08	2,561	25.4	0.9	2.7
Qatar Electricity and Water	17.13	(1.95)	6.46	18,843	13.0	2.2	4.5
Aamal	0.92	4.41	13.65	5,821	36.4	0.8	4.3
Gulf International Services	1.64	(2.03)	(4.77)	3,044	44.1	0.8	N/A
Mesaieed Petrochemical Holding	2.14	0.28	(14.74)	26,885	26.2	1.7	3.3
Investment Holding Group	0.64	12.19	12.59	527	12.3	0.6	N/A
Qatar Aluminum Manufacturing	1.00	4.92	28.43	5,597	N/A	1.0	1.0
Industrials				128,471			
Qatar Insurance	2.11	0.38	(33.29)	6,885	N/A	0.9	7.1
Doha Insurance	1.14	(0.78)	(5.00)	570	13.0	0.6	7.0
Qatar General Insurance & Reinsurance	2.20	(2.01)	(10.61)	1,924	N/A	0.4	N/A
Al Khaleej Takaful Insurance	1.87	(1.48)	(6.50)	477	14.8	0.9	2.7
Qatar Islamic Insurance	6.56	4.43	(1.80)	984	14.5	2.7	5.8
Insurance				10,841			
United Development	1.26	4.05	(17.11)	4,461	19.8	0.4	4.0
Barwa Real Estate	3.46	2.82	(2.26)	13,464	8.4	0.7	5.8
Ezdan Real Estate	1.53	7.06	148.94	40,610	827.6	1.3	N/A
Mazaya Qatar Real Estate Development	1.17	(1.35)	62.73	1,354	52.9	0.1	N/A
Real Estate				59,889			
Ooredoo	6.48	(3.23)	(8.47)	20,757	12.4	0.9	3.9
Vodafone Qatar	1.28	(1.00)	10.52	5,419	37.3	1.2	3.9
Telecoms				26,176			
Qatar Navigation (Milaha)	5.94	1.37	(2.62)	6,803	12.7	0.5	5.1
Gulf Warehousing	5.12	0.02	(6.55)	300	12.6	1.7	3.9
Qatar Gas Transport (Nakilat)	2.68	(2.90)	12.01	14,831	13.9	2.4	3.7
Transportation				21,934			
Qatar Exchange				573,259			

Source: Bloomberg

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