

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index dipped by 70.66 points or 0.60% during the week, to close at 11,625.81. Market capitalization moved down by 0.18% to QR667.6 billion (bn) as compared to QR668.8bn at the end of the previous week. Of the 47 traded companies, 19 ended the week lower, while 26 ended higher and 2 remained unchanged. Dlala Holding (DBIS) was the worst performing stock for the week, with a decline of 5.08%. On the other hand, Doha Bank (DHBK) was the best performing stock with a gain of 8.47%.

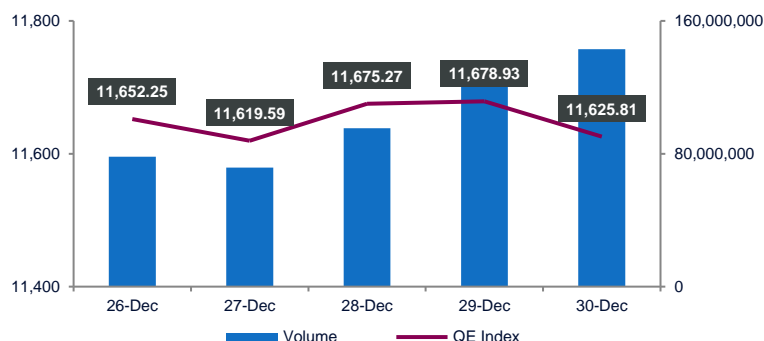
Masraf Al Rayan (MARK), Mesaieed Petrochemical Holding (MPHC) and Barwa Real Estate Co. (BRES) were the primary contributors to the weekly index loss. MARK and MPHC deleted 68.8 and 18.8 points from the index, respectively. Moreover, BRES removed another 12.1 points from the index.

Trading value during the week increased by 22.9% to QR1,424.1mn vs. QR1,159.2mn in the prior trading week. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR242.7mn.

Trading volume also increased by 23.5% to 515.9mn shares vs. 417.9mn shares in the prior trading week. The number of transactions went up by 7.0% to 34,886 versus 32,592 in the prior week. Salam International (SIIS) was the top volume traded stock during the week with total traded volume of 70.9mn shares.

Foreign institutions remained bullish, ending the week with net buying of QR251mn vs. net buying of QR173mn in the prior week. Qatari institutions remained negative with net selling of QR130mn vs. net selling of QR115mn in the week before. Foreign retail investors ended the week with net buying of QR27mn vs. net buying of QR1mn in the prior week. Qatari retail investors remained bearish with net selling of QR147mn vs. net selling of QR59mn the week before. So far YTD (as of Wednesday closing), foreigners were net buyers of \$1,739.0mn.

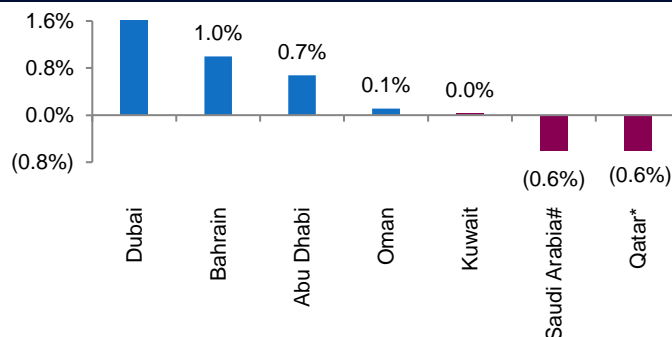
QSE Index and Volume



Market Indicators	Week ended Dec 30, 2021	Week ended Dec 23, 2021	Chg. %
Value Traded (QR mn)	1,424.1	1,159.2	22.8
Exch. Market Cap. (QR mn)	667,574.1	668,796.9	(0.2)
Volume (mn)	515.9	417.9	23.5
Number of Transactions	34,886	32,592	7.0
Companies Traded	47	47	0.0
Market Breadth	26:19	12:35	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	23,013.99	(0.6)	2.1	14.7
ALL Share Index	3,698.05	(0.0)	2.5	15.6
Banks and Financial Services	4,962.44	(0.4)	2.7	16.8
Industrials	4,023.26	(0.4)	3.4	29.9
Transportation	3,557.55	(0.1)	0.5	7.9
Real Estate	1,740.17	(3.4)	(1.9)	(9.8)
Insurance	2,727.09	3.6	4.7	13.8
Telecoms	1,057.71	2.2	3.4	4.7
Consumer Goods & Services	8,216.64	2.9	0.5	0.9
Al Rayan Islamic Index	4,716.70	(1.0)	0.6	10.5

Weekly Index Performance



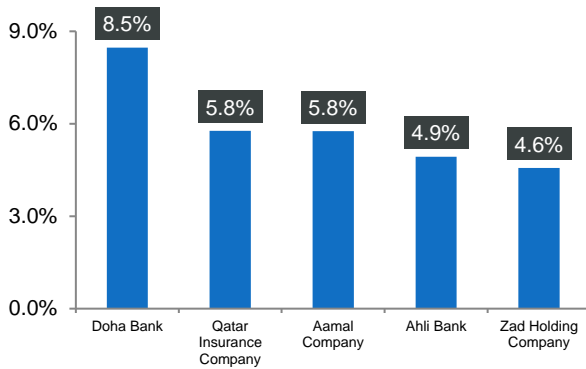
Regional Indices	Close	WTD%	MTD%	YTD%	Weekly Exchange Traded Value (\$ mn)	Exchange Mkt. Cap. (\$ mn)	TTM P/E**	P/B**	Dividend Yield
Qatar*	11,625.81	(0.6)	2.1	11.4	389.35	181,780.4	16.2	1.7	2.6
Dubai	3,195.91	1.6	4.0	28.2	265.90	111,034.9#	21.0	1.1	2.4
Abu Dhabi	8,488.36	0.7	(0.7)	68.2	1,800.52	408,571.0	23.2	2.6	2.7
Saudi Arabia#	11,199.84	(0.6)	4.1	28.9	6,922.67	2,628,597.4	24.7	2.4	2.4
Kuwait	7,043.16	0.0	3.7	27.0	628.95	135,900.8	21.0	1.6	2.0
Oman	4,129.54	0.1	3.2	12.9	44.88	18,903.2	11.6	0.8	3.8
Bahrain	1,797.25	1.0	3.9	20.6	15.91	28,799.9	10.0	0.9	3.5

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; #Data as of December 29, 2021)

- **Fitch Ratings: Qatar's assets offset government-related entity debt; higher oil prices, pandemic recovery lower GCC's GRE debt/GDP** – Qatar's assets offset government-related entity (GRE) debt, Fitch Ratings said and noted partial recovery from the Covid-19 pandemic and higher oil prices are lowering GRE debt as a share of GDP across the GCC in 2021. But in most countries, Fitch Ratings said GRE debt levels remain higher than before the pandemic. The upward trend in GRE debt/GDP that has been in evidence since 2014 could resume as GREs help to drive national economic agendas, aiming at job creation, diversification and the energy transition, Fitch Ratings said. Increased focus on privatization and asset sales could mitigate this trend over time, it said. Aggregate GCC non-bank GRE debt hit 37% of GDP in 2020 (an increase of 7pp over 2019), driven in part by declines in nominal GDP on lower oil prices and Covid-19-induced recessions. The ratio is 32% in relation to forecast 2021 GDP. Aggregate debt of GCC government-related banks (wholesale or interbank funding, excluding customer deposits) rose to 24% of GDP in 2020. However, potential contingent liabilities from banks are larger, with sector assets reaching above 300% in Qatar, for example. All GCC countries have a record of supporting their GREs, either on an ongoing basis or in periods of distress. The likelihood of future assistance is high given past experience, combined with the continuing importance of GREs to national economic growth strategies and, frequently, their status as national champions. Across much of the GCC, large sovereign net foreign assets and low net debt limit the credit impact of large or growing contingent liabilities, Fitch Ratings said. The high standalone credit quality of some GREs, in particular most of the national oil companies in the region, is also a mitigating factor. Nevertheless, many GCC sovereign ratings rely on exceptional balance-sheet strengths to outweigh structural weaknesses, including undiversified economies and political risk. Fitch said it does not usually include GRE debt in government debt, unless it is guaranteed and likely to materialize onto a government's balance sheet. Contingent liabilities could crystallize if a government assumes the obligations of a GRE, or if it needs to make transfers that widen its fiscal deficit. Other contingent liabilities not covered in this report include liabilities arising from pension funds or public-private partnerships (e.g. power purchase agreements). (Gulf-Times.com)
- **DHBK closes \$762.5mn term loan facility** – Doha Bank (DHBK) has successfully completed the signing of a three-year syndicated term loan facility on December 20. The facility includes an option to extend the maturity by one year at the end of the initial three-year term. The facility was drawn in full on December 23. Launched in November, the facility was originally targeting deal size of \$350mn. The facility generated strong interest from existing and new relationship banks across EMEA and Asia regions, and the syndication was closed oversubscribed. A total of 16 financial institutions joined the facility, and the facility was subsequently upsized to \$762.5mn. The strong response to the deal is a testament to Doha Bank's good access to the capital markets and deep relationships with a diverse range of lenders. The facility, where the loan proceeds shall be used to fund general corporate and working capital purposes of the bank, pays a margin of 85 basis points per annum over US dollar Libor. Mizuho Bank and Intesa Sanpaolo coordinated the transaction. Mizuho Bank is also the facility agent. (Gulf-Times.com)
- **QNBK to disclose its Annual financial results on January 11** – QNB Group (QNBK) will disclose its financial statement for the period ending December 31, 2021 on January 11, 2022. (QSE)
- **Bloomberg Survey: Qatar's economy to expand 2.9% in 2021** – Qatar's economy will expand 2.9% in 2021 according to the latest results of a Bloomberg News survey of 9 economists conducted from December 17 to December 22. GDP for 2022 is expected to grow +4.2% YoY vs prior +4.2%. CPI for 2021 reached +1.8% YoY vs prior +1.5%. CPI for 2022 is expected to rise +2.3% YoY vs prior +1.8%. (Bloomberg)
- **Qatar's banking sector demonstrates resilience, registers 'impressive' growth amid Covid-19 challenges** – Qatar's banking sector demonstrated resilience and registered an impressive growth in business during 2021, driven by the need to continue to support the country's future ambitions. The measures taken by Qatar Central Bank (QCB) helped to keep a check on the asset quality of the banking sector this year. Qatari banks' total assets have increased 0.2% MoM, up 6.7% YTD in November to reach QR1.795tn. Local lenders' costs continue to remain the lowest in the region, which reflects the relentless focus on efficiencies to help counter the impact of increased provisioning. Despite the financial uncertainty arising from Covid-19, Qatar's listed banks recorded the lowest profit decline amongst its regional peers, KPMG had said in an earlier report. "Increased loan provisioning as a result of liquidity and credit challenges being faced by borrowers reflected the more cautious approach taken by banks. This impact was partially offset by higher interest spreads and lower costs," KPMG said. Amid the challenges posed by the pandemic, the local economy and the banking system could maintain stability thanks to proactive steps taken by the Government of Qatar and the QCB. One area of particular focus was the support mechanism for small and medium enterprises (SMEs). A distinct part of these measures included injecting capital into systemically important sectors, thereby to an extent, neutralizing the short-term impact on the financial market. The overall loan book (of Qatar's banks) went up by 0.5% MoM last month to reach QR1,213.8bn, while deposits fell 0.2% in November to QR963.8bn. Qatar banks' net profit returned to pre-pandemic levels in the first half (1H) of 2021, mainly on an increase in net interest and non-interest incomes, according to Moody's, a global credit rating agency. The net earnings improvement is despite higher the provisioning charges, the rating agency said, highlighting that the lenders it rate reported an aggregate net profit of QR11.8bn, up 12% from the year-ago period. Net interest income increased, mainly due to a sharp reduction in interest costs, it said, adding total operating income rose 11% to QR23.8bn in the same period in 2020. The rise was largely driven by a reduction in interest expenses due to the low interest rate environment, it said, highlighting that the interest costs fell 16% YoY, more than offsetting the decline in interest income (3% versus the first half of 2020). The result was an overall increase in net interest income, although net interest margins remained broadly stable at 2.2%, reflecting strong loan growth of 9% YoY. Despite an overall challenging economic environment due to the pandemic, the banking sector expanded its balance sheet supported by low-risk public sector credit growth, according to Qatar Central Bank. Banks demonstrated prudent management by proactively increasing their provisioning and improving their structural liquidity conditions. Banks managed their cross-border risk well by suitably adjusting exposure to different geographies while reducing the withdrawal risk by lengthening the maturities. (Gulf-Times.com)

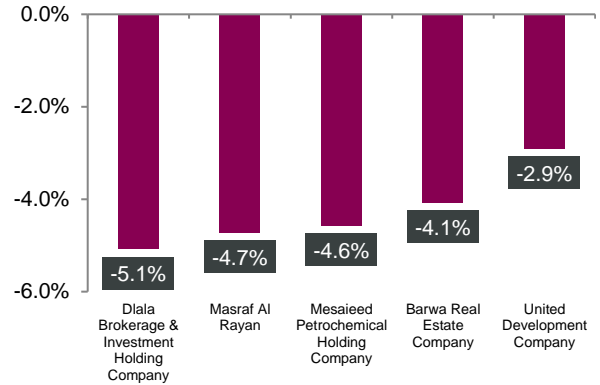
Qatar Stock Exchange

Top Gainers



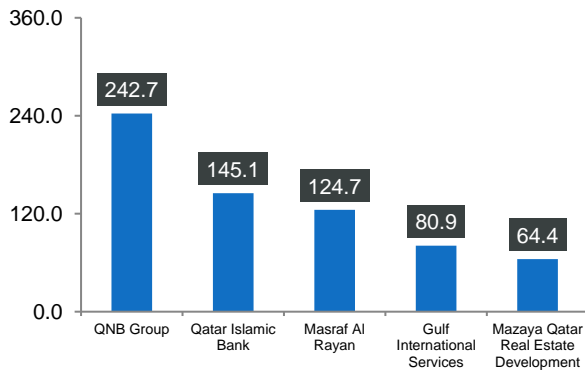
Source: Qatar Stock Exchange (QSE)

Top Decliners



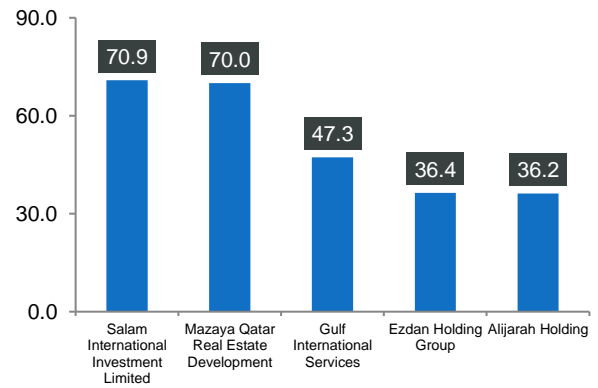
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



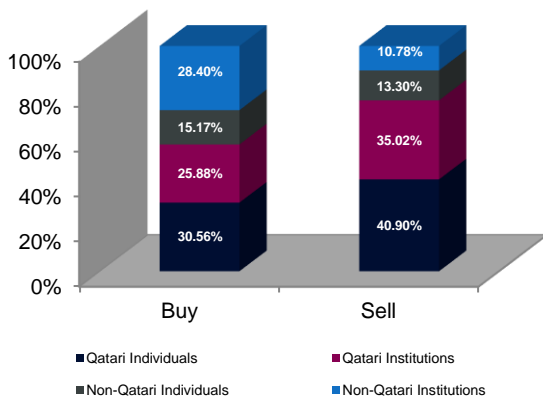
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



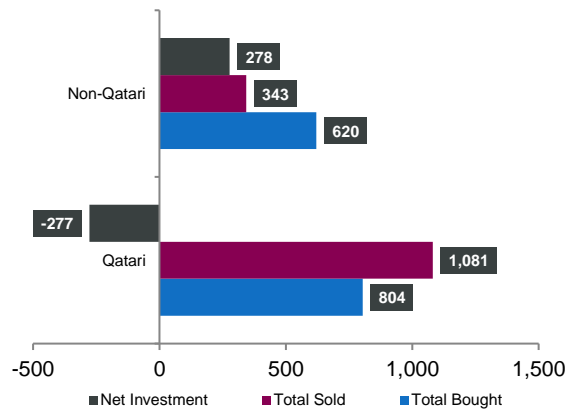
Source: Qatar Stock Exchange (QSE)

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

In the last trading session in 2021, the QE Index closed marginally lower at 11,625.81 (-0.6% from the week before). The uptrend remains intact, but the Index moved closer towards the uptrend line. That indicates a possible testing of that trend line; we would be concerned only if that trend line breached with higher traded volumes. Our expected support level remains at 11,400 points, and the resistance at 12,000 points.

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 December 30	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	20.19	0.00	13.24	186,483	15.8	2.3	2.2
Qatar Islamic Bank	18.33	0.55	7.13	43,313	13.7	2.2	2.2
Commercial Bank of Qatar	6.75	0.76	53.39	27,315	13.2	1.4	1.5
Doha Bank	3.20	8.47	35.19	9,921	15.8	0.9	2.3
Al Ahli Bank	3.83	4.93	11.11	9,306	13.2	1.4	3.9
Qatar International Islamic Bank	9.21	(1.76)	1.75	13,941	15.6	2.2	3.5
Masraf Al Rayan	4.64	(4.72)	2.43	43,152	15.6	2.3	3.7
Qatar First Bank	1.79	0.73	4.01	1,253	10.6	2.3	N/A
National Leasing	0.94	2.62	(24.38)	465	18.6	0.7	2.7
Diala Holding	1.23	(5.08)	(31.25)	351	22.7	1.6	N/A
Qatar & Oman Investment	0.81	0.74	(8.23)	256	45.4	0.9	N/A
Islamic Holding Group	3.95	(0.93)	(22.89)	223	39.5	1.5	1.3
Banking and Financial Services				335,980			
Zad Holding	16.70	4.57	23.21	4,354	22.5	2.9	3.9
Qatar German Co. for Medical Devices	3.18	(2.15)	42.15	367	120.5	11.1	N/A
Salam International Investment	0.82	0.61	25.81	936	N/A	0.6	N/A
Baladna	1.45	(0.34)	(19.27)	2,747	N/A	1.2	3.7
Medicare Group	8.50	3.27	(3.87)	2,392	26.5	2.4	21.2
Qatar Cinema & Film Distribution	3.55	0.85	(11.09)	223	72.6	1.6	2.8
Qatar Fuel	18.28	3.57	(2.14)	18,175	17.9	2.1	2.5
Qatar Meat and Livestock	3.59	(0.66)	(43.15)	647	N/A	2.0	2.8
Mannai Corp.	4.75	(0.96)	58.27	2,166	5.4	1.0	0.2
Al Meera Consumer Goods	19.60	1.92	(5.36)	3,920	21.7	2.6	4.6
Consumer Goods and Services				35,927			
Qatar Industrial Manufacturing	3.07	0.66	(4.33)	1,459	11.9	0.9	3.3
Qatar National Cement	5.10	(0.95)	22.89	3,333	14.1	1.1	3.9
Industries Qatar	15.49	0.13	42.50	93,715	14.1	2.5	2.1
Qatari Investors Group	2.22	(0.18)	22.58	2,760	20.1	1.0	2.7
Qatar Electricity and Water	16.60	0.67	(7.00)	18,260	13.9	1.6	3.8
Aamal	1.08	5.76	26.78	6,829	28.4	0.9	3.7
Gulf International Services	1.72	1.66	0.06	3,189	N/A	1.0	N/A
Mesaieed Petrochemical Holding	2.09	(4.57)	2.10	26,257	16.0	1.6	1.9
Investment Holding Group	1.23	(1.68)	105.18	1,020	51.3	1.2	N/A
Qatar Aluminum Manufacturing	1.80	(2.01)	86.25	10,050	16.7	1.7	1.9
Industrials				166,872			
Qatar Insurance	2.75	5.77	16.43	8,982	17.0	1.1	N/A
QLM Life & Medical Insurance	5.05	1.61	N/A	1,768	N/A	3.0	N/A
Doha Insurance	1.92	0.79	37.93	960	13.7	0.8	5.2
Qatar General Insurance & Reinsurance	2.00	0.00	(24.81)	1,750	13.6	0.3	N/A
Al Khaleej Takaful Insurance	3.60	(0.58)	89.67	919	18.9	1.8	1.4
Qatar Islamic Insurance	8.00	0.19	15.94	1,200	15.5	3.0	4.1
Insurance				15,578			
United Development	1.54	(2.90)	(6.95)	5,453	17.6	0.5	3.2
Barwa Real Estate	3.06	(4.08)	(10.03)	11,907	9.7	0.6	4.1
Ezdan Real Estate	1.34	(2.83)	(24.49)	35,570	92.5	1.1	N/A
Mazaya Qatar Real Estate Development	0.92	(2.13)	(27.16)	1,065	34.7	0.8	3.3
Real Estate				53,995			
Ooredoo	7.02	2.71	(6.65)	22,486	N/A	1.1	3.6
Vodafone Qatar	1.67	1.15	24.50	7,046	27.1	1.6	3.0
Telecoms				29,533			
Qatar Navigation (Mlaha)	7.64	0.51	7.68	8,747	26.5	0.6	3.9
Gulf Warehousing	4.54	0.22	(10.98)	266	11.6	1.3	2.2
Qatar Gas Transport (Nakilat)	3.30	(0.54)	3.77	18,283	14.3	2.2	3.3
Transportation				27,296			
Qatar Exchange				667,574			

Source: Bloomberg

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