

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index gained 50.36 points, or 0.48% during the week, to close at 10,512.06. Market capitalization rose by 0.8% to QR583.2 billion (bn) versus QR578.6bn the previous trading week. Of the 46 listed companies, 15 companies ended the week higher, while 27 declined and 4 remained unchanged. Mesaieed Petrochemical Holding Company (MPHC) was the best performing stock for the week with a gain of 10.4% on a trading volume of 56.8 million (mn) shares. On the other hand, Doha Bank (DHBK) was the worst performing stock for the week with a decline of 6.0% on 8.7mn shares traded.

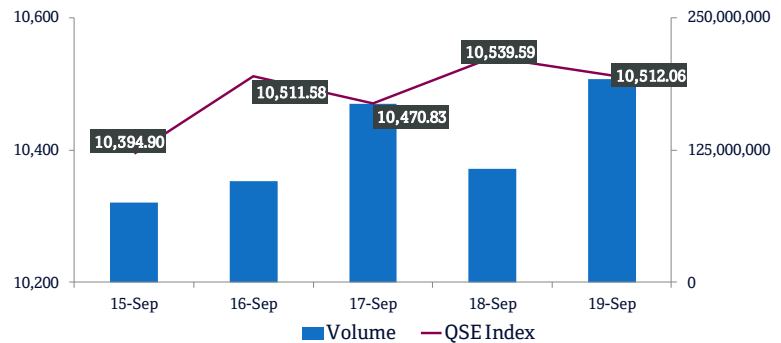
Mesaieed Petrochemical Holding Company (MPHC), Qatar Insurance Co. (QATI) and QNB Group (QNBK) were the primary contributors to the weekly index gain. MPHC was the biggest contributor to the index's weekly increase, adding 47.9 points to the index. QATI was the second biggest contributor to the mentioned gain, contributing 30.2 points to the index. Moreover, QNBK tacked on 26.8 points to the index. On the other hand, Ooredoo (ORDS) deleted 22.4 points from the index.

Trading value increased by 46.8% during the week to QR1.9bn versus QR1.3bn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 39.9% of the total trading value. The Industrials sector was the second biggest contributor to the overall trading value, accounting for 23.6% of the total. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR398.8mn.

Trading volume slightly declined by 0.8% to reach 638.9mn shares versus 644.2mn shares in the prior week. The number of transactions rose 4.0% to 37,273 transactions versus 35,839 transactions in the prior week. The Banks and Financial Services sector led the trading volume, accounting for 34.3%, followed by the Industrials sector, which accounted for 25.9% of the overall trading volume. Qatar First Bank (QFBQ) was the top volume traded stock during the week with 115.2mn shares traded.

Foreign institutions remained positive with net buying of QR185.4mn vs. net buying of QR47.9mn in the prior week. Qatari institutions remained bullish with net buying of QR12.4mn vs. net buying of QR17.9mn in the week before. Foreign retail investors remained bearish with net selling of QR12.0mn vs. net selling of QR0.57mn in the prior week. Qatari retail investors remained negative with net selling of QR185.9.2mn vs net selling of QR114.3mn the week before. Foreign institutions have bought (net basis) ~\$1.3bn worth of Qatari equities in 2019.

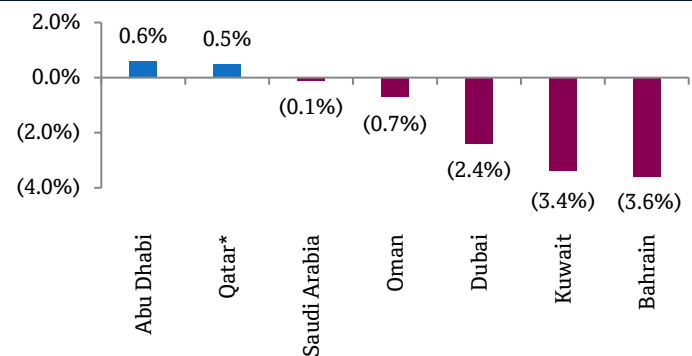
QSE Index and Volume



Market Indicators	Week ended Sep 19, 2019	Week ended Sep 12, 2019	Chg. %
Value Traded (QR mn)	1,940.1	1,321.7	46.8
Exch. Market Cap. (QR mn)	583,225.4	578,608.5	0.8
Volume (mn)	638.9	644.2	(0.8)
Number of Transactions	37,273	35,839	4.0
Companies Traded	46	46	0.0
Market Breadth	15:27	27:17	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	19,343.08	0.5	2.7	6.6
ALL Share Index	3,089.41	0.2	2.8	0.3
Banks and Financial Services	4,066.78	0.1	1.8	6.1
Industrials	3,189.53	2.8	3.8	(0.8)
Transportation	2,507.17	(1.2)	(0.8)	21.7
Real Estate	1,452.35	(3.1)	3.5	(33.6)
Insurance	3,124.93	6.5	11.8	3.9
Telecoms	930.99	(4.4)	3.3	(5.8)
Consumer Goods & Services	8,625.34	0.4	4.9	27.7
Al Rayan Islamic Index	4,013.73	0.3	2.4	3.3

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*	10,512.06	0.5	2.7	2.1	530.84	160,153.7	15.2	1.6	4.1
Dubai	2,819.69	(2.4)	2.2	11.5	336.18	100,926.2	11.9	1.0	4.4
Abu Dhabi	5,124.72	0.6	(0.8)	4.3	288.19	143,580.5	15.4	1.5	4.8
Saudi Arabia#	7,821.23	(0.1)	(2.5)	(0.1)	3,770.07	492,602.4	19.4	1.7	3.9
Kuwait	5,552.51	(3.4)	(6.5)	9.3	861.60	102,870.3	13.8	1.3	3.8
Oman	3,992.13	(0.7)	(0.3)	(7.7)	27.85	17,441.0	8.1	0.8	6.9
Bahrain	1,490.39	(3.6)	(2.8)	11.5	28.85	23,252.1	11.2	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 September 18, 2019)

Economic, Market and Corporate News

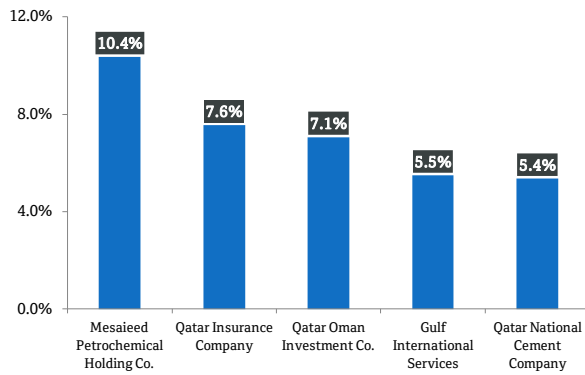
- Qatar's industrial production up 2.8% on rise in mining output –** Qatar's industrial production in July jumped 2.8% from June mostly due to a surge in the mining output, which includes oil and gas production. According to the Planning and Statistics Authority (PSA), the key Industrial Production Index (IPI) stood at 108.2 points in June, up 1.9% from a year ago. The mining component of the index, which has a relative weightage of 83.6%, showed a 2.7% jump MoM, but declined 1.8% YoY. The monthly increase in mining output was driven by increased productions of crude oil and natural gas, by 2.7%. However, production under the 'other mining and quarrying' group showed a MoM decline of 1.3%. Qatar's manufacturing output — which has a relative weightage of 15.2% in the index — also increased in July, showing a 2.9% rise from July. PSA attributed this to increased productions of cement and other non-metallic mineral products by 5.6%, refined petroleum products by 4.5%, basic metals by 2.6%, chemicals and chemical products by 2.5% and beverages by 1.3%. At the same time, two manufacturing groups declined in July — food products by 2.8% and rubber and plastics products by 1.2%. No change was noticed in printing and reproduction of recorded media. On the other hand, the manufacturing component of the IPI in July this year showed a 3.7% jump when compared with that in the same month last year. (Qatar Tribune)
- Money reserves and counterpart assets at QR74.6bn –** Qatar Central Bank (QCB) data released on Thursday indicated that the total Money Reserve in the Qatari banking system decreased by the end of August by about QR5.7bn, but still 23.8% higher than in the third month of the blockade in August 2017, to reach by the end of August 2019 to the level of QR74.6bn, compared to QR 80.3bn last July, and QR60.3bn in August 2017. Reserve Money consists of four components: Issued Currency, Required Reserve, Excess Reserve, and Others. The Issued Currency is the total amount issued by QCB at some time in Qatari currencies; the Required Reserve is 4.50% of the total amount of the customer deposits with all commercial banks in Qatar. The excess reserve is the unused surplus with banks at any time, and banks voluntarily deposit it with QCB as a reserve in order to cover the clearing operations between them. In details, we note that the decline in the Reserve Money has been attributed to the decline in the other category - which represents bank deposits with QCB through the Qatari Monetary System (QMR) mechanism, and its balance decreased to QR15bn compared to about QR21.9bn in July, but still higher than a year ago when it reached QR11.4bn, and only QR1.47bn two years ago. This indicates a stable liquidity of the Qatari banking system. The Required Reserve which accounted for half of the Reserve Money worth QR36.8bn, indicates a stable category, and it usually increases by the increase the of the customer deposits with commercial banks. The Issued Currency remained stable, with a limited decline of QR0.4bn to the level of QR16.5bn, after it had seen a noticeable increase in the month of the siege in June 2017 to the level of QR19.6bn. The Excess Reserve deposited at the QCB rose in August from July by about QR1.8bn to the level of QR6.28bn, and is still higher than its level in August 2017 of QR4.87bn, indicating improved liquidity management at banks operating in Qatar. (Peninsula Qatar)
- IMF: Qatar increases gold reserves in August –** According to IMF data, Qatar has increased its reserves to a record 1.36m oz in August 2019 from 1.26m in July 2019. Data for the UAE up to July showed reserves climbed to 0.27m oz from 0.24m oz in June. (Bloomberg)
- Freehold property law a massive boost to real estate sector –** The amendment of the law allowing foreign investors to hold full ownership in Qatar's residential and commercial sectors, will give a massive boost to the country's real estate sector, according to a top real estate marketing influencer. The introduction of more freehold zones indicates greater efforts from the Qatari government to diversify away from oil revenue. And incentives by the government to boost industry outside of the hydrocarbons sector is seeing investment trickle into logistics and manufacturing, thereby giving rise to real estate demand, Carlo Schembri, Exhibition Director of Cityscape Qatar said. Schembri said, "By allowing investors with more options when it comes to office space, it has signaled to foreign companies that Qatar is quickly becoming an attractive destination to set up shop. The real estate sector is now more accessible to wider pool of investors. Developers and government organizations are seizing the opportunity by offering attractive office, residential, and retail spaces. Individual investors will also see the approach of the FIFA World Cup in 2022 as a catalytically factor when setting up shop in the country." (Peninsula Qatar)
- Real estate deals cross QR308mn in a week –** The total value of real estate transactions registered with the Ministry of Justice between September 8 and 12 stood at QR308.8mn, the ministry's Real Estate Registration Department stated on Wednesday. The transactions included empty lands, residential units, residential buildings and multipurpose buildings, the report stated, adding that most of the trading took place in Al Da'ayen, Al Rayyan, Doha, Umm Salal, Al Wakra, Al Khor, Al Thakhira and Al Shehaniya. The real estate transactions worth QR169.5mn were made between September 1 and September 5, the Real Estate Registration Department stated. (Qatar Tribune)
- Zad Holding Company: The listing of shares issued from the procurement of Meeda Projects Company –** Zad Holding Company's (ZHCD) board of directors announced that the company has received the approval of Qatar Financial Markets Authority to list the shares issued by ZHCD for the acquisition of Meeda Projects Company including the subsequent issue of bonus shares approved by the AGM held on March 28, 2018. The company will coordinate with the relevant authorities to complete the required process and accordingly list the shares with Qatar Stock Exchange. (QSE)
- QFBQ approves resolution related to reduction in share capital of QFBQ's board of directors –** Qatar First Bank (QFBQ) got shareholders' approval for a special resolution related to reduction in share capital of QFBQ's board of directors during the bank's Extraordinary General Meeting (EGM) held on

Monday. The reduction in board of directors share capital is in accordance with regulatory requirements by the Qatar Financial Markets Authority (QFMA), Qatar Financial Centre (QFC) rules and others applicable laws. Speaking on the occasion, QFBQ's Chairman, Sheikh Faisal bin Thani Al Thani said, "It was not an easy resolution for the board of directors to call shareholders today to approve a capital reduction by 65%. However, we made this resolution to amortize previously accumulated losses to move forward and to serve the best interests of our shareholders. I assure you that the current board of directors shall exert its best efforts to put QFBQ on the right path of growth and profitability. Over the next few months, we shall reveal new products and restructuring exercise that are initial steps to put QFBQ on the right track again." The bank will now seek to fulfill the necessary regulatory and legal arrangements to effect the capital reduction recommendation. The process will essentially be a balance sheet transaction effected by means of an accounting adjustment all within the 'Total Equity' section where the net equity before and after the proposed capital reduction will remain unchanged. The transaction will have no impact on the cash position or financial liquidity of the bank. Another special resolution was passed approving certain alterations to the articles of association in accordance with the new corporate governance regulations issued by QFMA. (Qatar Tribune)

- **FTSE Semi-Annual Index Review will be effective on September 19** – Qatar Stock Exchange announced that the results of FTSE Semi-Annual Index Review published on August 23, 2019 will be effective on September 19, 2019 after the close. The details of the semi-annual review resulted in changing classification of some companies like Qatar Fuel Company (QFLS), which moved from the list of Mid Cap to Large Cap, Barwa Real Estate Company (BRES) from Large Cap to Mid Cap and Al Meera Consumer Goods Company (MERS) from Mid Cap to Small Cap. The reviews also resulted in inclusions/exclusions of a number of companies. Salam International Investment Limited (SIIS) entered the list of Micro Cap, Qatar Oman Investment Company (QOIS) entered the list of Micro Cap, Islamic Holding Group (IHGS) exited Micro Cap list, and Qatar Navigation (QNNS) exited Micro Cap list. (QSE)
- **KCBK first among banks to move headquarters to Lusail** – Al Khalij Commercial Bank (KCBK) has moved its headquarters to Lusail, thus becoming first among the banks to have its head office there. The move comes under KCBK's ambitious plans, its central operations now at the heart of Qatar's vision for a sustainable, interconnected and smart future. The vision for Lusail city was first conceptualized in 2005 and is today one of Qatar's largest undertakings. KCBK's CEO, Fahad Al-Khalifa said, "Lusail will not only draw in droves of small and medium enterprises, visitors and residents, but equally, create a wealth of jobs in the real estate, hospitality, tourism and entertainment sectors, among others. For us, this makeup translates into ample opportunity for our group's portfolio diversification and customer base growth." Lusail city is expected to be home to a population of over 450,000 – 200,000 residents and more than 80,000 visitors – four exclusive islands, and 19 residential, mixed-use, entertainment and commercial districts. (Gulf-Times.com)

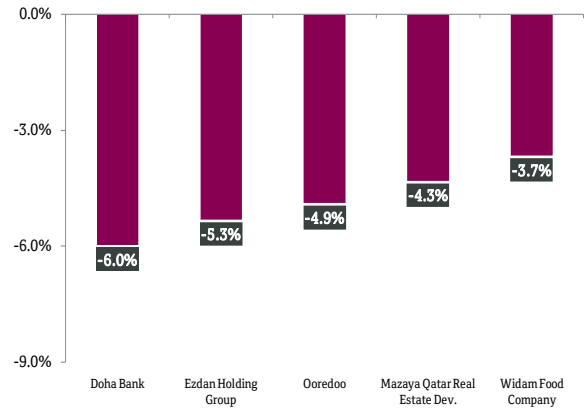
Qatar Stock Exchange

Top Gainers



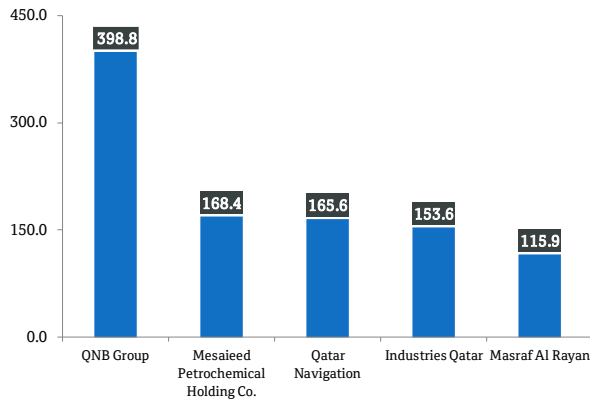
Source: Qatar Stock Exchange (QSE)

Top Decliners



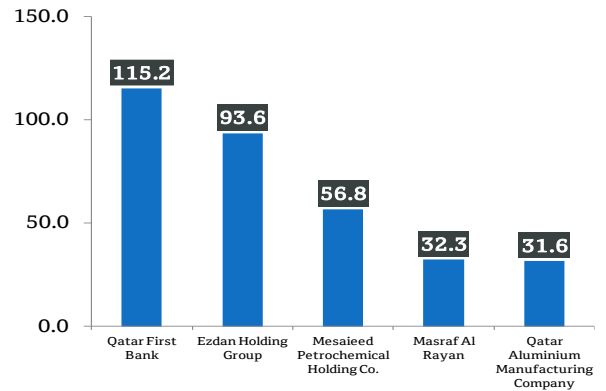
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



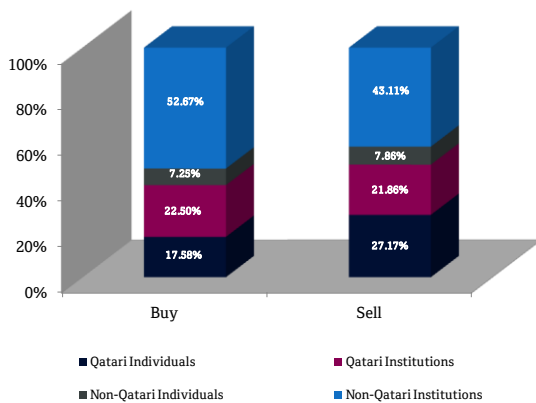
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



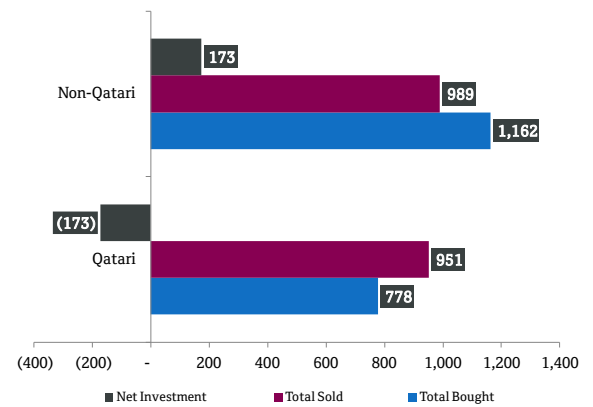
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



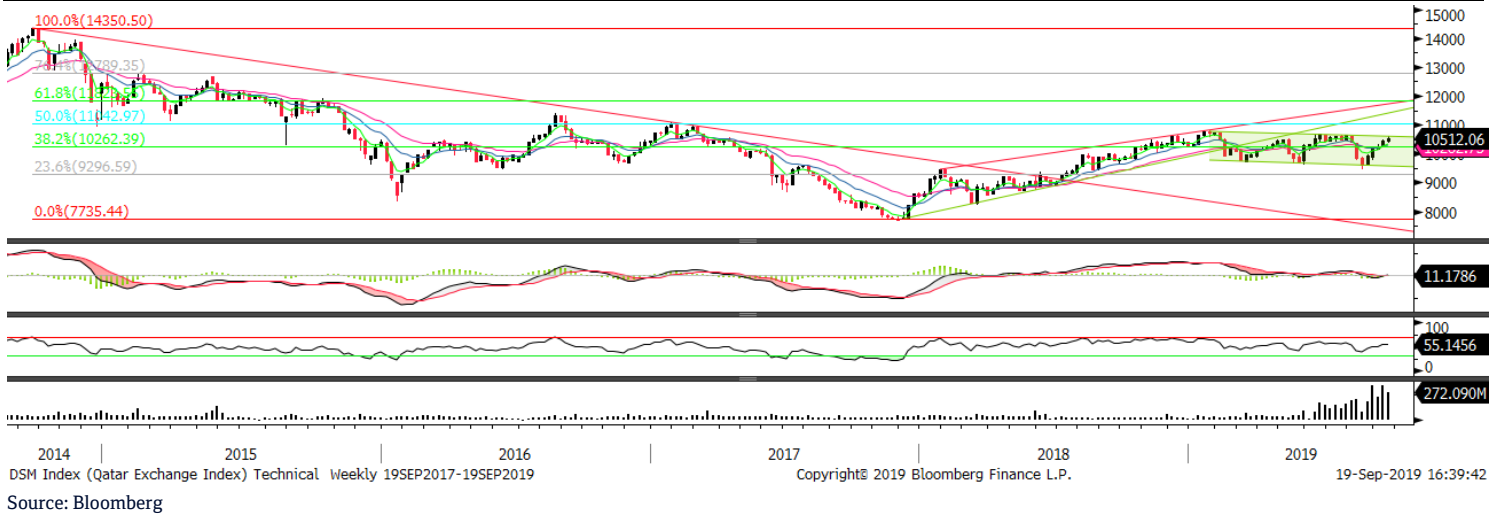
Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

TECHNICAL ANALYSIS OF THE QSE INDEX



The QE Index closed up by 0.5% from the week before, at 10,512.06 points. The Index kept moving inside the corrective channel and bounced off the strong support just at the 9,700 level. We keep our expected weekly-resistance level at 10,800 points and the 9,700 level as our weekly support.

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 19	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	19.77	1.65	1.38	182,604	14.2	2.7	3.0
Qatar Islamic Bank	16.15	0.31	6.25	38,161	14.4	2.4	3.1
Commercial Bank of Qatar	4.50	(1.32)	14.24	18,213	12.2	1.1	3.3
Doha Bank	2.52	(5.97)	13.51	7,813	11.8	0.8	4.0
Al Ahli Bank	3.45	0.00	35.54	7,983	11.8	1.4	2.6
Qatar International Islamic Bank	8.70	(2.90)	31.58	13,169	15.5	2.3	4.6
Masraf Al Rayan	3.55	(1.66)	(14.83)	26,625	12.4	2.1	5.6
Al Khaliji Bank	1.18	0.00	2.25	4,248	7.4	0.7	6.4
Qatar First Bank	0.32	(3.08)	(22.79)	630	N/A	0.9	N/A
National Leasing	0.69	(0.14)	(21.62)	341	46.9	0.5	7.3
Diala Holding	0.69	(0.72)	(31.50)	195	N/A	0.9	N/A
Qatar & Oman Investment	0.55	7.06	2.25	172	54.4	0.6	5.5
Islamic Holding Group	1.93	(3.50)	(11.67)	109	301.2	0.8	N/A
Banking and Financial Services				300,263			
Zad Holding	13.36	(0.37)	28.46	1,922	14.8	2.2	6.4
Qatar German Co. for Medical Devices	0.61	(2.86)	8.13	71	N/A	2.0	N/A
Salam International Investment	0.40	(2.65)	(6.70)	462	N/A	0.4	N/A
Medicare Group	7.35	(2.39)	16.48	2,069	26.3	2.1	24.5
Qatar Cinema & Film Distribution	2.20	1.85	15.67	138	17.6	1.0	6.8
Qatar Fuel	23.50	1.69	41.57	23,365	19.4	3.0	3.4
Qatar Meat and Livestock	6.06	(3.66)	(13.43)	1,091	9.8	3.4	7.4
Mannai Corp.	3.38	(1.46)	(38.49)	1,542	4.7	0.6	5.9
Al Meera Consumer Goods	15.00	(2.60)	1.35	3,000	16.3	2.2	5.7
Consumer Goods and Services				33,659			
Qatar Industrial Manufacturing	3.28	2.18	(23.19)	1,559	10.8	1.0	7.6
Qatar National Cement	6.10	5.35	2.52	3,987	15.1	1.3	8.2
Industries Qatar	11.16	0.54	(16.47)	67,518	17.0	2.0	5.4
Qatari Investors Group	1.93	(0.52)	(30.60)	2,400	17.3	0.9	3.9
Qatar Electricity and Water	15.80	3.07	(14.59)	17,380	13.0	1.9	4.9
Aamal	0.71	(3.14)	(19.68)	4,473	11.3	0.6	8.5
Gulf International Services	1.73	5.49	1.76	3,215	N/A	0.9	N/A
Mesaieed Petrochemical Holding	3.09	10.36	105.59	38,820	37.8	2.7	2.6
Invesment Holding Group	0.51	(1.15)	5.11	427	6.8	0.6	4.9
Qatar Aluminum Manufacturing	0.86	4.65	(35.96)	4,771	N/A	N/A	2.3
Industrials				144,549			
Qatar Insurance	3.56	7.55	(0.84)	11,627	20.0	1.4	4.2
Doha Insurance	1.07	1.90	(18.26)	535	8.8	0.5	7.5
Qatar General Insurance & Reinsurance	3.88	(1.02)	(13.55)	3,395	16.0	0.5	2.6
Al Khaleej Takaful Insurance	1.83	0.00	113.04	467	15.0	0.9	2.7
Qatar Islamic Insurance	6.06	(0.33)	12.83	909	12.9	2.6	5.8
Insurance				16,934			
United Development	1.33	(2.92)	(9.83)	4,709	10.1	0.4	7.5
Barwa Real Estate	3.40	0.00	(14.81)	13,230	8.7	0.7	7.4
Ezdan Real Estate	0.66	(5.31)	(49.15)	17,506	59.1	0.5	N/A
Mazaya Qatar Real Estate Development	0.71	(4.30)	(8.72)	824	N/A	0.7	7.0
Real Estate				36,270			
Ooredoo	7.40	(4.88)	(1.33)	23,704	13.8	1.1	3.4
Vodafone Qatar	1.21	(3.20)	(22.54)	5,115	35.1	1.1	4.1
Telecoms				28,818			
Qatar Navigation (Milaha)	5.93	2.95	(10.17)	6,791	12.6	0.5	5.1
Gulf Warehousing	4.70	(2.08)	22.17	275	14.7	1.6	4.0
Qatar Gas Transport (Nakilat)	2.38	(2.86)	32.74	13,186	14.3	2.1	4.2
Transportation				20,253			
Qatar Exchange				583,225			

Source: Bloomberg

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