

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index inched up by 46.80 points or 0.44% during the trading week to close at 10,613.32. Market capitalization rose by 0.2% to QR582.9 billion (bn) versus QR582.0bn the previous trading week. Of the 46 listed companies, 25 companies ended the week higher, while 17 declined and 4 remained unchanged. Medicare (MCGS) was the best performing stock for the week with a gain of 14.5% on a trading volume of 9.5 million (mn) shares. On the other hand, Qatar National Cement (QNCD) was the worst performing stock for the week with a decline of 4.7% on 1.6mn shares traded.

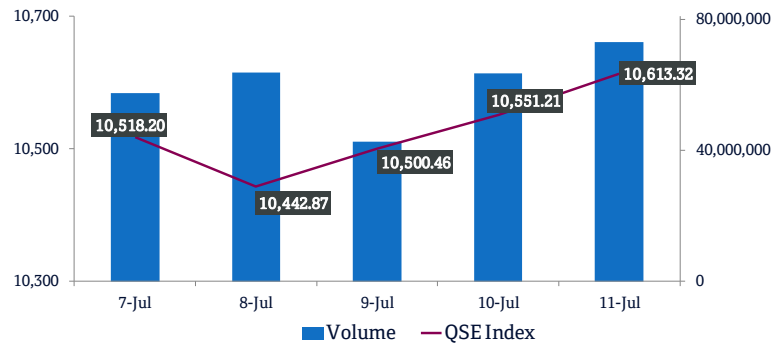
Qatar Insurance Co. (QATI), Ooredoo (ORDS) and Medicare (MCGS) were the primary contributors to the weekly index gain. QATI was the biggest contributor to the index's weekly increase, adding 16.9 points to the index. ORDS was the second biggest contributor to the mentioned gain, contributing 12.4 points to the index. Moreover, MCGS tacked on 10.9 points to the index.

Trading value during the week decreased by 0.5% to QR0.88bn versus QR0.88bn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 39.8% of the total trading value. The Industrials sector was the second biggest contributor to the overall trading value, accounting for 17.8% of the total. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR170.2mn.

Trading volume increased by 10.3% to reach 300.9mn shares versus 272.7mn shares in the prior week. The number of transactions rose by 1.6% to 27,103 transactions versus 26,680 transactions in the prior week. The Banks and Financial Services sector led the trading volume, accounting for 28.9%, followed by the Real Estate sector which accounted for 22.8% of the overall trading volume. Ezdan Holding (ERES) was the top volume traded stock during the week with 36.1mn shares.

Foreign institutions remained bullish with net buying of QR57.1mn vs. net buying of QR73.9mn in the prior week. Qatari institutions turned bearish with net selling of QR26.3mn vs. net buying of QR5.3mn in the week before. Foreign retail investors remained negative with net selling of QR26.3mn vs. net selling of QR13.3mn in the prior week. Qatari retail investors remained bearish with net selling of QR27.9mn vs. net selling of QR66.0mn the week before. Foreign institutions have bought (net basis) ~\$1.25bn worth of Qatari equities in 2019.

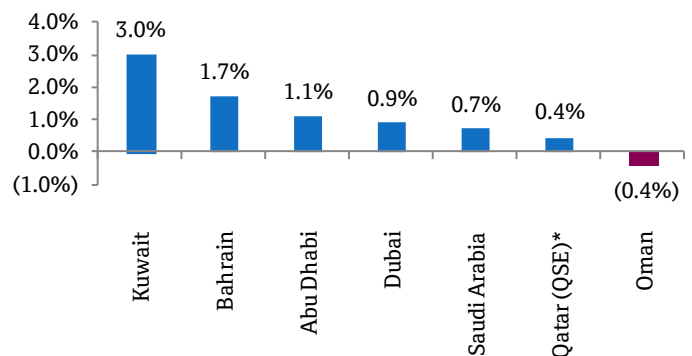
QSE Index and Volume



Market Indicators	Week ended July 11, 2019	Week ended July 04, 2019	Chg. %
Value Traded (QR mn)	880.2	875.9	0.5
Exch. Market Cap. (QR mn)	582,905.2	581,985.5	0.2
Volume (mn)	300.9	272.7	10.3
Number of Transactions	27,103	26,680	1.6
Companies Traded	46	46	0.0
Market Breadth	25:17	21:20	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	19,529.40	0.4	1.5	7.6
ALL Share Index	3,134.44	0.3	1.2	1.8
Banks and Financial Services	4,101.57	(0.2)	1.0	7.1
Industrials	3,236.00	(0.4)	(0.6)	0.7
Transportation	2,544.84	1.4	(0.3)	23.6
Real Estate	1,571.56	0.4	3.4	(28.1)
Insurance	3,199.86	3.4	3.1	6.4
Telecoms	945.41	2.2	4.6	(4.3)
Consumer Goods & Services	8,291.94	1.6	2.6	22.8
Al Rayan Islamic Index	4,094.61	0.1	0.8	5.4

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*	10,613.32	0.4	1.5	3.1	241.48	160,065.8	15.1	1.7	4.1
Dubai	2,685.58	0.9	1.0	6.2	214.00	96,248.0	11.9	1.0	4.6
Abu Dhabi	5,052.43	1.1	1.5	2.8	184.70	139,965.3	15.0	1.5	4.9
Saudi Arabia*	8,905.57	0.7	1.0	13.8	3,316.75	558,075.0	19.8	2.0	3.3
Kuwait	6,127.12	3.0	5.1	20.6	1,040.70	114,466.0	15.3	1.5	3.4
Oman	3,808.32	(0.4)	(2.0)	(11.9)	17.86	16,738.6	7.5	0.8	7.2
Bahrain	1,537.09	1.7	4.5	14.9	47.36	24,057.5	11.2	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 10, 2019)

Economic & Market News

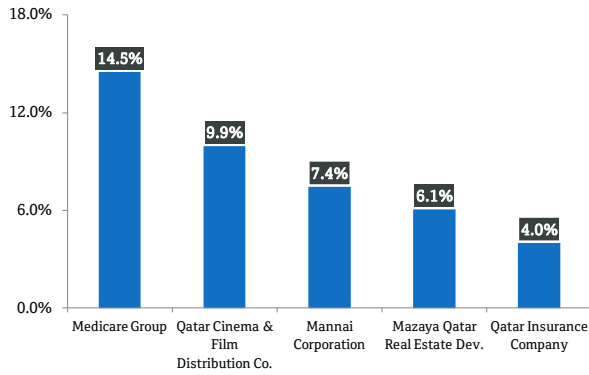
- QNB Group delivers strong results with a net profit of QAR7.4 billion for the first half of 2019** – For the six months ended 30 June 2019, net profit reached QAR7.4 billion, up by 4% compared to previous year. Operating income reached QAR12.6 billion, up by 3% compared to previous year. This reflects QNB Group's success in maintaining sustainable income growth across a range of revenue sources. QNB Group's robust cost controls helped to improve the efficiency ratio (cost to income ratio) to 25.6%, from 27.2% last year, which is considered one of the best ratios among large financial institutions in the MEA region. Total assets reached QAR887 billion, up by 5% from 30 June 2018. Loans and advances grew by 5% to reach QAR634 billion, which contributed to the growth in total assets. Growth in the loan book was mainly funded by customer deposits which also grew by 5% to reach QAR646 billion as at 30 June 2019. QNB Group's strong asset liability management capabilities helped weather the currency headwinds in our core markets namely Turkey. Strong funding sources helped QNB Group to maintain the loans to deposits ratio at 98.3% as at 30 June 2019, well within the regulatory limit. The ratio of non-performing loans to gross loans amounted to 1.9% as at 30 June 2019, a level considered one of the lowest amongst financial institutions in the MEA region, reflecting the strong quality of the Group's loan book and effective management of credit risk. Total Equity reached QAR89 billion, up by 19% from June 2018. The Group's conservative policy in regard to provisioning resulted in the coverage ratio maintained at 106% as at 30 June 2019. Capital Adequacy Ratio (CAR) as at 30 June 2019 amounted to 18.4%, higher than the regulatory minimum requirements of the Qatar Central Bank and Basel Committee. Currency headwinds from our overseas operations had minimal impact on the CAR. QNB Group remains the highest-rated bank in Qatar and one of the highest-rated banks in the world with ratings of 'Aa3' from Moody's, 'A' from S&P and 'A+' from Fitch. During the first half of 2019, QNB Group successfully closed the syndication of its EUR2.0 billion three-year senior unsecured term loan facility, successful completion of a USD1.0 billion bond issuance and a USD850 million Formosa bond issuances under its Euro Medium Term Note (EMTN) Programme in the international capital markets. QNB Group serves a customer base of 24 million supported by 30,000 staff resources operating from more than 1,100 locations and 4,400 ATMs. (QNB Group press release)
- QGTS' bottom line rises 5.2% YoY and 1.5% QoQ in 2Q2019, in-line with our estimate** – QGTS' bottom line rises 5.2% YoY and 1.5% QoQ in 2Q2019, in-line with our estimate – Nakilat's 2Q2019 net profit of QR239.6mn was right in-line with our estimate of QR238.4mn (variation of +0.5%). Operating metrics were also in-line with our forecasts: (1) Revenue from wholly-owned ships of QR760.7mn (-1.1% YoY, 1.2% QoQ) was in-line with our estimate of QR760.3mn (difference of +0.1%). (2) Adjusted revenue of QR890.0mn (0.2% YoY, 2.6% QoQ) was also in-line with our estimate of QR880.9mn (+1.0% divergence). (3) Adjusted EBITDA of QR694.5mn (2.2% YoY, 3.1% QoQ) was also in-line with our modeled figure of

QR681.8mn (difference of +1.9%). Positive momentum continues across key metrics. Management cited better performance of LNG and LPG vessels and its towage JV for the improvement in adjusted revenue. We note the nice 8.7% YoY and 12.7% QoQ uptick in JV profits as further evidence of positive momentum. As we expected, earnings benefited from higher JV income (2 conventional LNG vessels added at Maran in March 2018 and one FSRU added in June 2018, along with continued traction in the shipyard business). Operating costs also improved 6.0% YoY driven by costs optimization. G&A costs also declined 7.7% YoY due to process enhancement and cost optimization initiatives. Finance charges also fell 0.9% YoY as QGTS made a scheduled repayment of a corporate loan. No change to our model given in-line results. QGTS trades at 2019 and 2020 P/E of 13.0x and 11.6x. We remain bullish on QGTS and consider it as the best avenue for equity investors to participate in the long-term growth expected in Qatar's LNG sector. Going forward, in terms of catalysts, we continue to believe expansion of Qatar's LNG output from 77 MTPA to 110 MTPA is a significant driver. Currently our model does not assume any fleet expansion and we will incorporate such expansion once more details are revealed. We foresee significant upward revision to our estimates and price target once we factor in this expansion. For now, we maintain our Accumulate rating and price target of QR2.40. (QNB FS Research, QSE)

- ZHCD to disclose 2Q2019 financial statements on August 05** – Zad Holding Company (ZHCD) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 05, 2019. (QSE)
- QAMC to disclose 2Q2019 financial statements on July 25** – Qatar Aluminium Manufacturing Company (QAMC) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 25, 2019. (QSE)
- MPHC to disclose 2Q2019 financial statements on August 05** – Mesaieed Petrochemical Holding Company (MPHC) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 05, 2019. (QSE)
- IQCD to disclose 2Q2019 financial statements on August 01** – Industries Qatar (IQCD) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 01, 2019. (QSE)
- QFBQ to disclose 2Q2019 financial statements on July 28** – Qatar First Bank (QFBQ) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on July 28, 2019. (QSE)
- SIIS to disclose 2Q2019 financial statements on August 05** – Salam International Investment Limited (SIIS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 05, 2019. (QSE)
- GISS to disclose 2Q2019 financial statements on August 04** – Gulf International Services (GISS) announced its intent to disclose 2Q2019 financial statements for the period ending June 30, 2019, on August 04, 2019. (QSE)

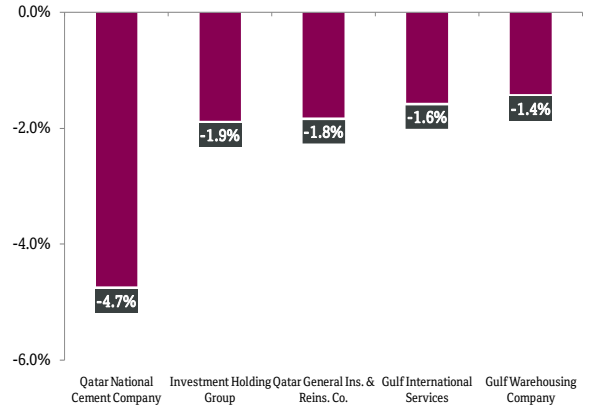
Qatar Stock Exchange

Top Gainers



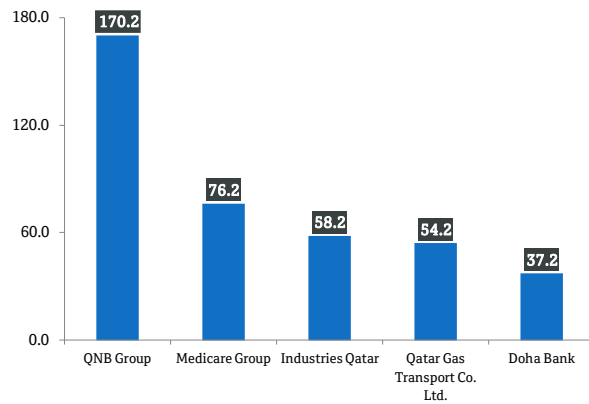
Source: Qatar Stock Exchange (QSE)

Top Decliners



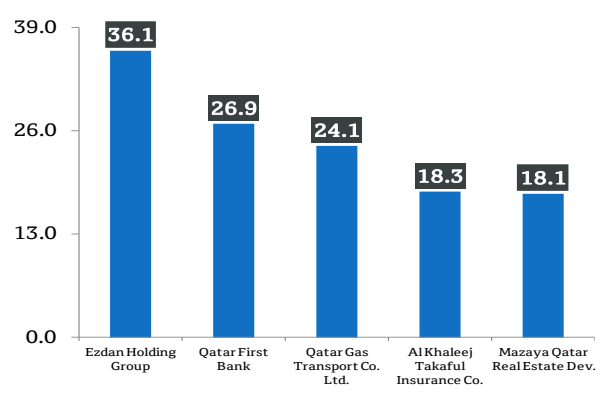
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



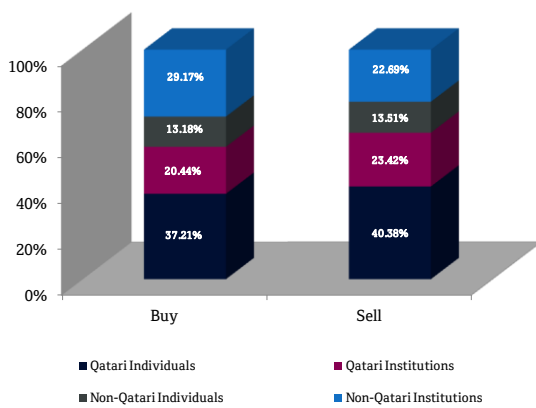
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



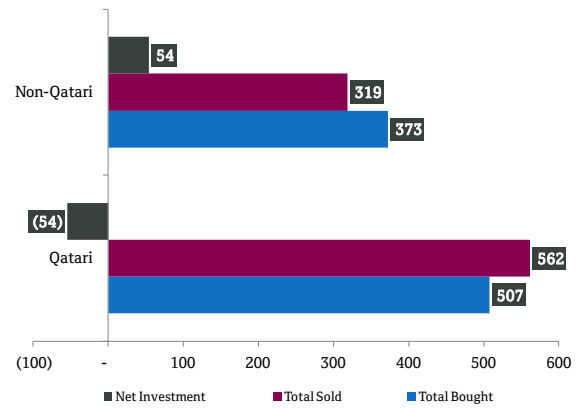
Source: Qatar Stock Exchange (QSE)

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 up by 0.44% from the week before, and closed at 10,613.32. 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 11	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	19.25	(0.16)	(1.28)	177,801	13.8	2.6	3.1
Qatar Islamic Bank	17.25	0.00	13.49	40,761	15.6	2.7	2.9
Commercial Bank of Qatar	4.77	(1.24)	21.10	19,305	13.3	1.2	3.1
Doha Bank	2.65	1.15	19.37	8,216	15.3	0.9	3.8
Al Ahli Bank	3.01	0.33	18.25	6,965	10.4	1.3	3.0
Qatar International Islamic Bank	7.47	(0.40)	12.98	11,307	13.4	2.1	5.4
Masraf Al Rayan	3.82	0.00	(8.35)	28,650	13.4	2.3	5.2
Al Khaliji Bank	1.19	(0.83)	3.12	4,284	7.7	0.8	6.3
Qatar First Bank	0.41	0.25	0.00	816	N/A	0.8	N/A
National Leasing	0.79	0.76	(9.90)	392	35.7	0.6	6.3
Diala Holding	0.91	(0.54)	(8.60)	260	N/A	1.2	N/A
Qatar & Oman Investment	0.57	0.00	6.37	179	70.2	0.6	5.3
Islamic Holding Group	2.63	3.54	20.37	149	1091.9	1.1	N/A
Banking and Financial Services				299,085			
Zad Holding	13.09	2.19	25.87	1,884	14.5	2.0	6.5
Qatar German Co. for Medical Devices	0.78	0.39	37.81	90	N/A	2.4	N/A
Salam International Investment	0.42	0.48	(2.54)	482	N/A	0.4	N/A
Medicare Group	8.14	14.49	29.00	2,291	27.2	2.4	22.1
Qatar Cinema & Film Distribution	2.10	9.95	10.41	132	14.9	0.9	7.1
Qatar Fuel	21.57	(0.51)	29.95	21,446	18.1	2.8	3.7
Qatar Meat and Livestock	6.50	3.17	(7.14)	1,170	10.9	3.8	6.9
Mannai Corp.	3.90	7.44	(29.03)	1,779	4.9	0.7	5.1
Al Meera Consumer Goods	14.46	0.42	(2.30)	2,892	15.8	2.3	5.9
Consumer Goods and Services				32,166			
Qatar Industrial Manufacturing	3.77	0.00	(11.71)	1,792	9.8	1.2	6.6
Qatar National Cement	6.25	(4.73)	5.04	4,085	12.6	1.4	8.0
Industries Qatar	11.44	(0.35)	(14.38)	69,212	15.6	2.1	5.2
Qatari Investors Group	2.42	2.11	(12.98)	3,009	17.4	1.1	3.1
Qatar Electricity and Water	16.68	0.06	(9.84)	18,348	12.6	1.9	4.6
Aamal	0.79	0.63	(10.18)	5,002	11.8	0.6	7.6
Gulf International Services	1.90	(1.55)	11.76	3,531	N/A	1.0	N/A
Mesaieed Petrochemical Holding	2.60	(0.38)	72.99	32,664	24.9	2.3	3.1
Investment Holding Group	0.58	(1.87)	18.20	480	8.0	0.6	4.3
Qatar Aluminum Manufacturing	1.00	(0.10)	(25.39)	5,558	N/A	N/A	2.0
Industrials				143,680			
Qatar Insurance	3.65	3.99	1.67	11,921	19.6	1.5	4.1
Doha Insurance	1.20	(0.83)	(8.33)	600	12.1	0.6	6.7
Qatar General Insurance & Reinsurance	3.80	(1.81)	(15.33)	3,325	15.9	0.5	2.6
Al Khaleej Takaful Insurance	1.84	(0.54)	114.20	470	16.3	0.9	2.7
Qatar Islamic Insurance	5.80	0.35	7.99	870	13.4	2.6	6.0
Insurance				17,186			
United Development	1.44	2.86	(2.37)	5,099	11.2	0.5	6.9
Barwa Real Estate	3.56	1.14	(10.80)	13,853	7.2	0.7	7.0
Ezdan Real Estate	0.73	(1.08)	(43.76)	19,363	31.9	0.6	N/A
Mazaya Qatar Real Estate Development	0.81	6.06	3.21	932	81.3	0.6	6.2
Real Estate				39,247			
Ooredoo	7.02	3.08	(6.40)	22,486	15.0	1.0	3.6
Vodafone Qatar	1.41	0.71	(9.73)	5,960	41.8	1.3	3.5
Telecoms				28,447			
Qatar Navigation (Milaha)	6.51	1.24	(1.38)	7,456	13.8	0.5	4.6
Gulf Warehousing	4.88	(1.41)	26.85	286	11.9	1.8	3.9
Qatar Gas Transport (Nakilat)	2.31	1.99	28.83	12,798	18.0	20.3	4.3
Transportation				20,540			
Qatar Exchange				582,905			

Source: Bloomberg

Contacts

Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

saugata.sarkar@qnbfs.com.qa

Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

mehmet.aksoy@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

shahan.keushgerian@qnbfs.com.qa

QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

Zaid al-Nafoosi , CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

zaid.alnafoosi@qnbfs.com.qa

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNB FS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNB FS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNB FS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNB FS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNB FS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNB FS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNB FS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNB FS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNB FS

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNB FS.