

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index declined by 155.30 points or 1.55% during the trading week to close at 9,871.87. Market capitalization receded by 1.6% to QR549.7 billion (bn) versus QR558.7bn the previous trading week. Of the 46 listed companies, 7 companies ended the week higher, while 35 declined and 4 remained unchanged. Mesaieed Petrochemical Holding Company (MPHC) was the best performing stock for the week with a gain of 28.7% on a trading volume of 12.9mn shares. On the other hand, Salam International Investment Limited (SIIS) was the worst performing stock for the week with a decline of 9.4% on 3.6mn shares traded.

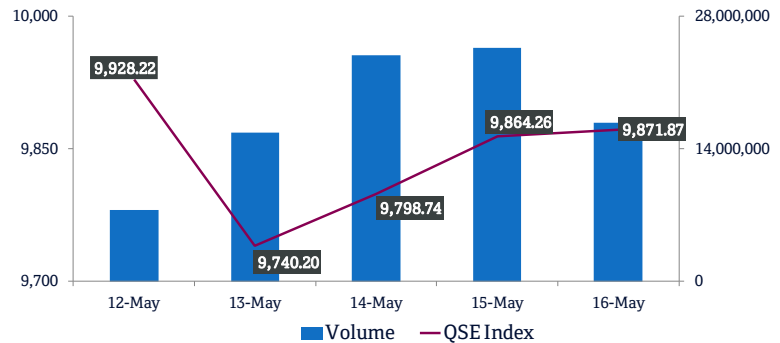
QNB Group (QNBK), Industries Qatar (IQCD) and Qatar Islamic Bank (QIBK) were the primary contributors to the weekly index decline. QNBK was the biggest contributor to the index's weekly decline, deleting 88.7 points from the index. IQCD was the second biggest contributor to the mentioned loss, removing 44.0 points from the index. Moreover, QIBK erased 37.0 points from the index.

Trading value during the week increased by 70.9% to QR1.92bn versus QR1.12bn in the prior week. The Industrials sector led the trading value during the week, accounting for 32.6% of the total trading value. The Banks & Financial Services sector was the second biggest contributor to the overall trading value, accounting for 29.6% of the total. MPHC was the top value traded stock during the week with total traded value of QR304.2mn.

Trading volume increased by 100.9% to reach 88.6mn shares versus 44.1mn shares in the prior week. The number of transactions rose by 86.2% to 44,906 transactions versus 24,122 transactions in the prior week. The Industrials sector led the trading volume, accounting for 37.0%, followed by the Real Estate sector which accounted for 25.1% of the overall trading volume. Ezdan Holding Group (ERES) was the top volume traded stock during the week with 15.3mn shares.

Foreign institutions remained bearish with net selling of QR149.1mn vs. net selling of QR154.7mn in the prior week. Qatari institutions remained bullish with net buying of QR150.0mn vs. net buying of QR89.0mn in the week before. Foreign retail investors turned negative with net selling of QR6.2mn vs. net buying of QR6.5mn in the prior week. Qatari retail investors remained bullish with net buying of QR5.2mn vs. net buying of QR59.2mn the week before. Foreign institutions have bought (net basis) ~\$682mn worth of Qatari equities in 2019.

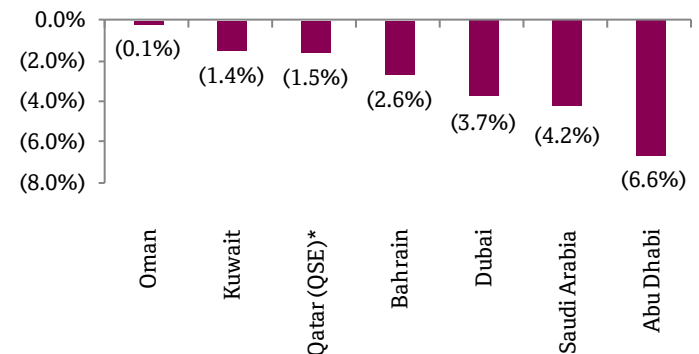
QSE Index and Volume



Market Indicators	Week ended May 16, 2019	Week ended May 09, 2019	Chg. %
Value Traded (QR mn)	1,921.6	1,124.6	70.9
Exch. Market Cap. (QR mn)	549,656.6	558,733.8	(1.6)
Volume (mn)	88.6	44.1	100.9
Number of Transactions	44,906	24,122	86.2
Companies Traded	46	46	-
Market Breadth	7:35	8:37	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	18,165.08	(1.5)	(4.9)	0.1
ALL Share Index	2,966.94	(2.3)	(6.4)	(3.6)
Banks and Financial Services	3,727.07	(3.4)	(8.4)	(2.7)
Industrials	3,127.32	0.9	(2.9)	(2.7)
Transportation	2,358.56	(3.2)	(3.5)	14.5
Real Estate	1,702.53	(4.1)	(10.7)	(22.2)
Insurance	3,059.78	(3.6)	(7.4)	1.7
Telecoms	886.43	(3.5)	(4.9)	(10.3)
Consumer Goods & Services	8,038.57	1.8	3.3	19.0
Al Rayan Islamic Index	3,886.64	(0.2)	(2.7)	0.0

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 (QSE)*	9,871.87	(1.5)	(4.9)	(4.1)	593.62	150,935.7	13.9	1.5	4.4
Dubai	2,575.01	(3.7)	(6.9)	1.8	311.27	93,953.1*	11.0	1.0	5.2
Abu Dhabi	4,719.26	(6.6)	(10.2)	(4.0)	311.10	133,757.2	13.7	1.4	5.3
Saudi Arabia*	8,480.70	(4.2)	(8.9)	8.4	6,396.17	528,345.4	19.4	1.9	3.5
Kuwait	4,761.52	(1.4)	(1.4)	0.5	582.61	32,842.9	14.4	0.9	3.9
Oman	3,858.87	(0.1)	(2.2)	(10.8)	14.23	16,902.9	8.0	0.8	7.1
Bahrain	1,399.58	(2.6)	(2.4)	4.7	11.12	21,820.5	9.7	0.9	5.4

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; * Data as of May 15, 2019)

Stock Split Dates for Listed Qatari Companies

Day / Date	Company Symbols			Sector
	1	2	3	
Sunday 09/06/2019	CBQK	QFBQ		Banking and Financial Services
Monday 10/06/2019	KCBK	DBIS	QOIS	
Tuesday 11/06/2019	QIIK	NLCS		
Wednesday 12/06/2019	QNBK	ABQK	IHGS	
Thursday 13/06/2019	QIBK	DHBK		
Sunday 16/06/2019	MARK			
Monday 17/06/2019	MERS	MCCS		Consumer Goods & Services
Tuesday 18/06/2019	WDAM	ZHCD	QGMD	
Wednesday 19/06/2019	QFLS	MCGS		
Thursday 20/06/2019	SIIS	QCFS		
Sunday 23/06/2019	MPHC	IGRD		Industrial
Monday 24/06/2019	QIGD	AHCS	QNCD	
Tuesday 25/06/2019	IQCD	QIMD		
Wednesday 26/06/2019	QEWS	GISS		
Thursday 27/06/2019	QISI	QATI		Insurance
Sunday 30/06/2019	DOHI	QGRI	AKHI	
Monday 01/07/2019	BRES	ERES		Real Estate
Tuesday 02/07/2019	UDCD	MRDS		
Wednesday 03/07/2019	VFQS	ORDS		Telecoms
Thursday 04/07/2019	QGTS	GWCS	QNNS	Transport/Logistics
Sunday 07/07/2019	QETF	QATR	QAMC	ETFs and QAMCO

News

Economic & Market News

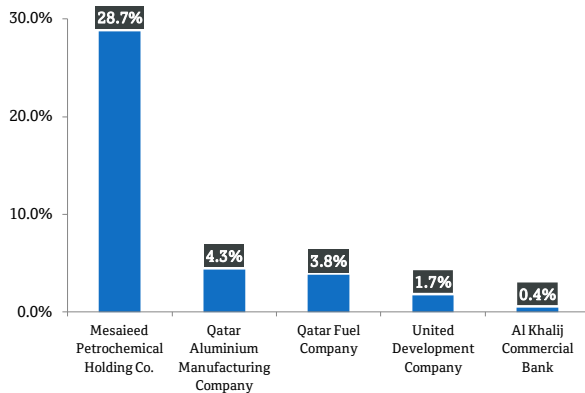
- A step closer to Qatar's 2022 dream as Al Wakrah Stadium opens tonight** – Al Wakrah Stadium - one of the eight venues for the 2022 FIFA World Cup - will be officially opened tonight with hosting of the Amir Cup final. Al Wakrah Stadium is the second 2022 FIFA World Cup venue being delivered by the Supreme Committee of Delivery and Legacy (SC) after the opening of iconic Khlaifa International Stadium in 2017. The opening of the landmark Al Wakrah Stadium today is step-by-step realization of Qatar's dream of hosting a historic mega football event in Qatar in 2022. (Peninsula Qatar)
- QFC: Qatar's non-hydrocarbon private sector foresees strengthened business volumes in second quarter** – Qatar's non-hydrocarbon private sector businesses foresee strengthened new business volumes in the second quarter of this year, indicating the growing optimism in the future, according to the Qatar Financial Centre (QFC). The overall sentiment regarding future output was the third-strongest since the Purchasing Managers' Index (PMI) survey began in April 2017, with more than three-quarters of respondents expecting growth at their business units over the next 12 months. "As a consequence, while the level of the headline PMI figure ebbed slightly from March's reading, sustained growth in such new work orders supported firms' robust expectations for future total business activity," QFC stated. The headline PMI for Qatar eased slightly to 48.9 in April, from 50.1 in March. Although the most recent reading continues to register above its average over the final quarter of 2018 (48.6), it is just below the trend observed over the first quarter of 2019 (49.7). The MoM dip in the PMI mainly reflects the slower growth rate of new orders and declines in the output as well as employment indicators. QFC Authority's Managing Director (Business Development), Sheikha Alanoud bint Hamad Al-Thani said, "The headline PMI edged lower in April but remains indicative of overall growth in the Qatari economy, and at a faster rate than the mediocre performance seen at the end of 2018." (Gulf-Times.com)
- Inflation in Qatar rises 0.51% MoM in April** – Substantially higher expenses towards transportation and restaurants, as well as costlier clothing and communication led Qatar's cost of living, based on Consumer Price Index (CPI), rise 0.51% MoM this April, according to the official statistics. The CPI inflation was, however, down 0.39% on a yearly basis, despite increased expenses towards transportation, education and tobacco, according to the Planning and Statistics Authority. Highlighting that the headline inflation remains subdued; the International Monetary Fund (IMF), after its officials concluded their visit to Qatar, stated the proposed restructuring in the fiscal space, including taxation, may slightly lift price levels in the future. Transport, which has 14.59% weightage, saw its group index rise 3.22% and 1.68% on monthly and yearly basis,

respectively this April. The sector has the direct linkage to the dismantling of administered prices in petrol and diesel, which have witnessed sustained increase in the recent past as part of lessening the subsidies. (Gulf-Times.com)

- **S&P affirms Qatar ratings, maintains 'Stable' outlook** – S&P Global Ratings has affirmed Qatar's sovereign ratings with a 'Stable' outlook, primarily reflecting its view that the country will continue to 'effectively mitigate' the economic and financial fallout of the ongoing blockade. S&P said Qatar "will continue to pursue prudent macroeconomic policies" that support large recurrent fiscal and external surpluses over 2019-2022. Investments related to the government's sizable infrastructure program will continue to support the country's economic activity. Qatar's financial system, S&P noted, is "well capitalized and has displayed resilience" through the blockade, with additional "confidence-instilling" support from the authorities. In its ratings summary released yesterday, S&P cited that "increasing non-resident deposits demonstrated strengthening investor confidence in the financial sector". S&P projects a current account surplus averaging 4.5% of Qatar's GDP in 2019-2022, assuming lower hydrocarbon prices from 2021. (Gulf-Times.com)
- **MSCI announces results of its May 2019 SAIR** - As expected, QFLS and MPHC included in Standard Index and ERES deleted; QAMC is added to Small Cap Index. (MSCI, QNB FS Research)
- **MSCI inclusion of three QSE companies to boost liquidity, fund inflows** – Qatar Stock Exchange (QSE) on stated global index compiler MSCI's decision to include three listed companies in its indices will not only enhance liquidity in the market but also open the door to global portfolios. In its recent review, which will take effect on May 28, MSCI added WOQOD, Mesaieed Petrochemical Holding Company and Qatar Aluminium Manufacturing Company. Qatar Stock Exchange's CEO, Rashid bin Ali Al-Mansoori described this announcement as a positive step and added that, "We are proud of the performance of Qatari listed companies as evidenced by the inclusion of various Qatari companies in the MSCI EM index. This development would enhance liquidity in the market and contribute to the flow of medium-and long-term foreign investments." Al-Mansoori hoped that this development will open the door to the flow of investments of global portfolios to invest in the shares of Qatari companies, especially in view of the fact that these foreign investment portfolios seek to invest in the Qatari market, which is characterized for being safe and stable investment environment. (QSE, Gulf-Times.com)
- **QCSD amended the foreign ownership percentage of QIIK to 49%** – Qatar Central Securities Depository (QCSD) announced that it had modified the foreigners' ownership limit of Qatar International Islamic Bank (QIIK) to be 49% of the capital, which is equal to 74,170,687 shares. (QSE)
- **Nebras Power's operating profit jumps 8% to QR412mn in 2018** – Nebras Power financial results were announced during the fifth Annual General Assembly meeting. The company posted an operating profit of QR412mn, up 8% from 2017. Annual net profit of QR366mn for the year 2018, an increase of 10% compared to 2017, on the back of better operating performance of the asset portfolio, lower fixed costs and improved results from financial management. The group's total assets stood at QR6.82bn in 2018, up 12% compared to 2017. The group's net assets reached QR4.53bn, up 9% from 2017. (Qatar Tribune)
- **Vodafone Qatar to launch first 5G smartphones in the region** – Vodafone Qatar continues to mark 5G milestones, with news that the company will be the first in the region to make highly anticipated 5G smartphones available to its customers. Vodafone Qatar will open pre-orders for a limited number of the Xiaomi Mi MIX 3 5G starting May 14. (QSE)
- **Seetharaman: Doha Bank focused on redefining asset allocation model** – Doha Bank is now focused on redefining its asset allocation model, de-risking the bank, and improving asset quality ratios including provision coverage, CEO R. Seetharaman has said. "We have done a prudential approach, wherein 95% of my books have already been provided. And nearly 70% of the books for Kuwait has been provided in terms of loan-loss provisions. Nearly 95% of Doha Bank's outstanding books is in Qatar. That's part of our de-risking exercise and is manageable," Seetharaman said. "If Qatar is doing well, we will do well. Our cross-border risks are being minimized. In India, we are operating with the capital that has been designated. And we have had no bad experience in India," the Doha Bank's CEO pointed out. Evaluating Doha Bank's first-quarter performance, Seetharaman said, "It was a very balanced result, I would say. We have seen growth in assets in the first quarter of this year, 3% YoY. This is despite the loan and deposit growth declining 2% and 9%, respectively. "The market conditions were very tough, hence we were very cautious in our approach for loan booking and consolidating our position since last year. Despite decline in deposit, our loan-to-deposit ratio (LDR) still stays strong at 108% as opposed to the market average of 114%." Compared to last year, Seetharaman noted, Doha Bank has "consciously driven" its investment books by 32%. This was a "structured" approach to increase the bank's assets while taking no, or minimal risk and maintaining balance sheet growth. In respect of profit and loans, he said Doha Bank had seen an increase in interest income by 4%, even as interest expense rose 25%. (Gulf-Times.com)
- **Ooredoo Group again in 'world's top 50 telecoms brands' list** – Ooredoo Group has again been listed in the 'Telecoms 300 2019 report' as one of the top 50 telecommunications brands in the world, with a brand value of some \$3.779bn. Qatar-based telecommunications provider jumped to 41st in the Top 50 rankings, from 43rd last year, reporting a growth of 12% in brand value. Also, Ooredoo Group maintained its Brand Rating status of 'AA+', with a Brand Strength Index (BSI) of 77.4, up from 74.7 the previous year. Industry valuation and strategy consultancy Brand Finance produces the rankings list each year according to valuations of telecommunications companies worldwide. (Gulf-Times.com)

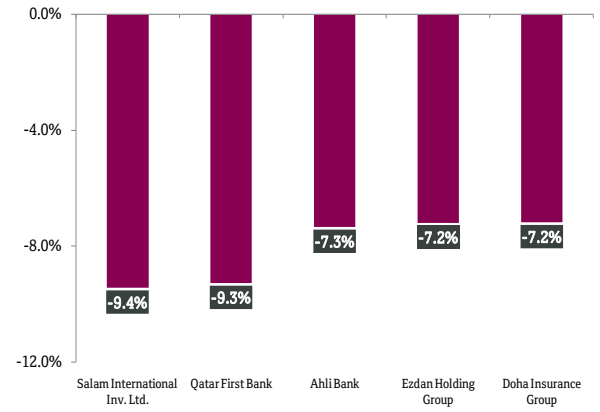
Qatar Stock Exchange

Top Gainers



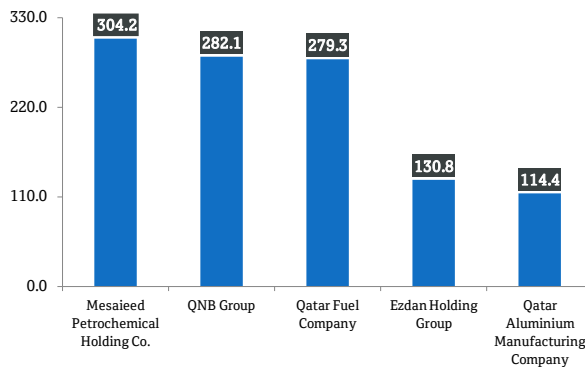
Source: Qatar Stock Exchange (QSE)

Top Decliners



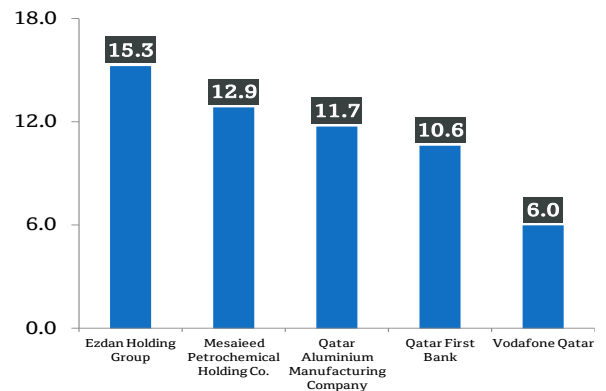
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



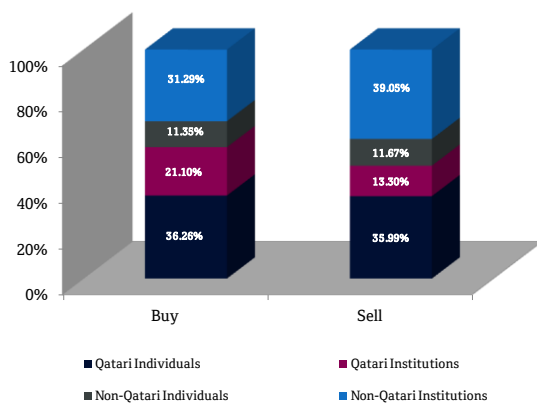
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



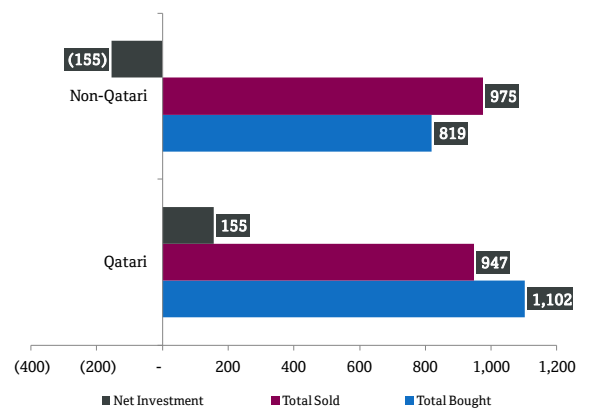
Source: Qatar Stock Exchange (QSE)

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 1.55% down from the week before, and closed at 9,871.87. The 9,700 level is very critical to maintain; failure to do so brings out the next support level at 9,200. We keep our next expected resistance level at 10,800 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 May 16	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	175.50	(3.84)	(10.00)	162,099	12.4	2.5	3.4
Qatar Islamic Bank	154.00	(3.14)	1.32	36,389	13.9	2.4	3.2
Commercial Bank of Qatar	44.71	(5.28)	13.51	18,095	12.5	1.1	3.4
Doha Bank	22.52	0.13	1.44	6,982	13.0	0.8	4.4
Al Ahli Bank	27.80	(7.33)	9.21	6,433	9.6	1.2	3.2
Qatar International Islamic Bank	66.66	(1.32)	0.82	10,090	12.0	1.9	6.0
Masraf Al Rayan	34.60	(2.54)	(16.99)	25,950	12.1	2.1	5.8
Al Khaliji Bank	11.75	0.43	1.82	4,230	7.6	0.8	6.4
Qatar First Bank	4.31	(9.26)	5.64	862	N/A	0.9	N/A
National Leasing	7.94	(5.36)	(9.67)	393	35.8	0.6	6.3
Diala Holding	9.37	(2.90)	(6.30)	266	N/A	1.2	N/A
Qatar & Oman Investment	5.75	(4.17)	7.68	181	71.1	0.6	5.2
Islamic Holding Group	21.00	0.00	(3.89)	119	871.8	0.9	N/A
Banking and Financial Services				272,090			
Zad Holding	121.10	(1.22)	16.44	1,743	13.4	1.8	7.0
Qatar German Co. for Medical Devices	5.86	(5.48)	3.53	68	N/A	1.8	N/A
Salam International Investment	4.32	(9.43)	(0.23)	494	N/A	0.4	N/A
Medicare Group	57.78	(3.70)	(8.43)	1,626	19.3	1.7	3.1
Qatar Cinema & Film Distribution	19.20	0.00	0.95	121	13.6	0.8	7.8
Qatar Fuel	215.98	3.84	30.12	21,474	18.1	2.8	3.7
Qatar Meat and Livestock	57.95	(1.45)	(17.21)	1,043	9.7	3.4	7.8
Mannai Corp.	41.50	(1.78)	(24.48)	1,893	5.2	0.7	4.8
Al Meera Consumer Goods	143.00	0.00	(3.38)	2,860	15.6	2.2	5.9
Consumer Goods and Services				31,321			
Qatar Industrial Manufacturing	38.10	(0.52)	(10.77)	1,811	9.9	1.2	6.6
Qatar National Cement	61.72	(2.80)	3.73	4,034	12.4	1.4	8.1
Industries Qatar	109.11	(3.45)	(18.34)	66,012	14.9	2.0	5.5
Qatari Investors Group	21.71	(5.61)	(21.93)	2,699	15.6	1.0	3.5
Qatar Electricity and Water	160.00	(1.06)	(13.51)	17,600	12.1	1.8	4.8
Aamal	8.32	(4.15)	(5.88)	5,242	12.4	0.6	7.2
Gulf International Services	17.41	(4.45)	2.41	3,235	N/A	0.9	N/A
Mesaieed Petrochemical Holding	25.87	28.71	72.12	32,501	24.7	2.3	3.1
Investment Holding Group	5.74	(2.05)	17.38	476	8.0	0.6	4.4
Qatar Aluminum Manufacturing	10.33	4.34	(22.62)	5,764	N/A	N/A	1.9
Industrials				139,373			
Qatar Insurance	35.26	(3.69)	(1.78)	11,516	19.0	1.5	4.3
Doha Insurance	11.00	(7.17)	(15.97)	550	11.1	0.5	7.2
Qatar General Insurance & Reinsurance	41.08	0.20	(8.47)	3,595	17.2	0.6	2.6
Al Khaleej Takaful Insurance	14.80	(1.00)	72.29	378	13.1	0.7	3.4
Qatar Islamic Insurance	52.90	(0.19)	(1.51)	794	12.2	2.4	6.6
Insurance				16,832			
United Development	13.73	1.70	(6.92)	4,862	10.7	0.5	7.3
Barwa Real Estate	33.70	(0.44)	(15.56)	13,114	6.8	0.7	7.4
Ezdan Real Estate	8.91	(7.19)	(31.36)	23,634	38.9	0.7	N/A
Mazaya Qatar Real Estate Development	8.00	0.00	2.56	926	80.8	0.6	6.3
Real Estate				42,535			
Ooredoo	62.00	(2.97)	(17.33)	19,860	13.3	0.9	4.0
Vodafone Qatar	7.30	(4.20)	(6.53)	6,171	43.3	1.4	3.4
Telecoms				26,031			
Qatar Navigation (Milaha)	63.44	(4.17)	(3.89)	7,265	13.5	0.5	4.7
Gulf Warehousing	45.80	(0.43)	19.05	2,684	11.2	1.7	4.1
Qatar Gas Transport (Nakilat)	20.80	(3.21)	16.01	11,524	12.6	1.8	4.8
Transportation				21,473			
Qatar Exchange				549,657			

Source: Bloomberg

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