

## Market Review and Outlook

The Qatar Stock Exchange (QSE) Index decreased by 18.72 points, or 0.20% during the week, to close at 9,233.35. Market capitalization fell by 0.27% to reach QR523.2 billion (bn) as compared to QR524.6bn at the end of the previous week. Of the 47 listed companies, 27 companies ended the week higher, while 19 fell and 1 remained unchanged. Dlala Brokerage and Investments Holding Co. (DBIS) was the best performing stock for the week, with a gain of 43.4%. On the other hand, Qatar Cinema & Film Distribution Co. (QCFS) was the worst performing stock with a decline of 8.9%.

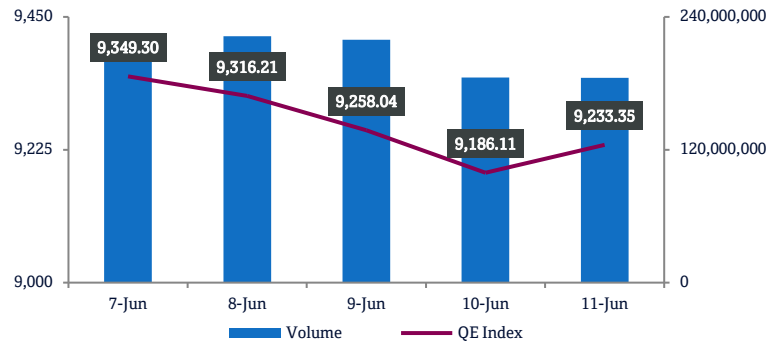
**QNB Group (QNBK), Mesaieed Petrochemical Holding Company (MPHC) and Industries Qatar (IQCD) were the primary contributors to the weekly index loss.** QNBK was the biggest contributor to the index's weekly decline, deleting 22.3 points from the index. MPHC was the second biggest contributor to the mentioned loss, removing 13.1 points from the index. Moreover, IQCD erased 12.2 points from the index.

**Trading value during the week decreased by 19.4% to reach QR1,659mn vs. QR2,057mn in the prior week.** The Banks and Financial Services sector led the trading value during the week, accounting for 36.5% of the total trading value. Real Estate sector was the second biggest contributor to the overall trading value, accounting for 22.3% of the total trading value. Ezdan Holding Group (ERES) was the top volume traded stock during the week with total traded value of QR197.1mn.

**Trading volume increased by 17.1% to reach 1,036.6mn shares vs. 885.0mn shares in the prior week.** The number of transactions fell by 34.7% to reach 39,950 transactions versus 61,176 transactions in the prior week. Real Estate sector led the trading volume, accounting for 38.1%, followed by the Industrials sector comprising 21.8% of the overall trading volume. Ezdan Holding Group (ERES) was the top volume traded stock during the week with total traded volume of 226.5mn shares.

**Foreign institutions ended the week with net buying of QR19mn vs. net buying of QR190mn in the prior week.** Qatari institutions remained positive with net buying of QR2mn vs. net buying of QR2mn in the week before. Foreign retail investors remained negative with net selling of QR12mn vs. net selling of QR4mn in the prior week. Qatari retail investors remained bearish with net selling of QR9mn vs. net selling of QR188mn the week before.

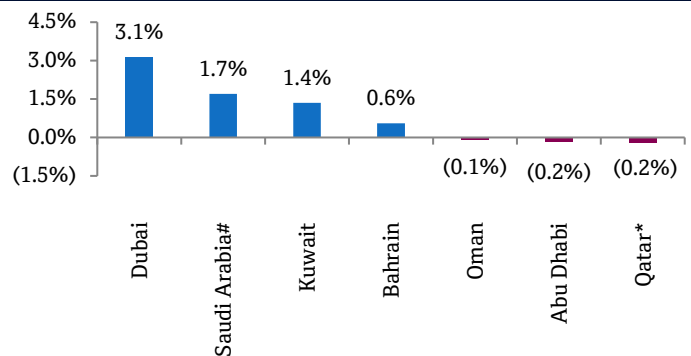
## QSE Index and Volume



Market Indicators	Week ended June 11, 2020	Week ended June 04, 2020	Chg. %
Value Traded (QR mn)	1,659.1	2,057.2	(19.4)
Exch. Market Cap. (QR mn)	523,228.4	524,628.9	(0.3)
Volume (mn)	1,036.6	885.0	17.1
Number of Transactions	39,950	61,176	(34.7)
Companies Traded	47	47	0.0
Market Breadth	27:19	35:10	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	17,750.80	(0.2)	4.4	(7.5)
ALL Share Index	2,860.34	(0.3)	4.2	(7.7)
Banks and Financial Services	3,979.41	(0.5)	3.7	(5.7)
Industrials	2,620.38	(0.3)	6.9	(10.6)
Transportation	2,650.40	(0.1)	2.3	3.7
Real Estate	1,432.63	2.2	4.6	(8.5)
Insurance	2,039.32	1.5	(1.9)	(25.4)
Telecoms	881.77	(1.0)	6.8	(1.5)
Consumer Goods & Services	7,427.13	(0.3)	4.2	(14.1)
Al Rayan Islamic Index	3,682.67	(0.2)	4.0	(6.8)

## 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*	9,233.35	(0.2)	4.4	(11.4)	452.39	142,422.8	14.5	1.4	4.3
Dubai	2,103.25	3.1	8.1	(23.9)	589.33	80,392.9	6.3	0.8	4.1
Abu Dhabi	4,294.88	(0.2)	3.7	(15.4)	265.80	132,449.2	13.4	1.3	5.9
Saudi Arabia#	7,328.09	1.7	1.6	(12.6)	6,761.40	2,190,315.3	22.2	1.8	3.5
Kuwait	5,091.04	1.4	1.9	(19.0)	598.59	94,051.7	14.8	1.2	3.8
Oman	3,513.67	(0.1)	(0.9)	(11.7)	20.06	15,304.8	9.7	0.8	6.8
Bahrain	1,280.38	0.6	0.8	(20.5)	19.36	19,445.6	9.3	0.8	5.5

Source: Bloomberg, country exchanges and Zawya (\*\* Trailing Twelve Months; \* Value traded (\$ mn) do not include special trades, if any; #Data as of June 10, 2020)

## Economic News / Market &amp; Corporate News

- Resilient Qatar economy continues to maintain growth momentum** – The siege against Qatar imposed by its Arab neighbors on June 2017 failed to slow the rapid growth of the country's economy even as the government managed to transform its impact into economic benefits, Qatar Chamber's Chairman, Sheikh Khalifa bin Jassim Al Thani has said. According to Sheikh Khalifa, the economic blockade only accelerated Qatar's economic development and enhanced foreign trade, especially after the opening of the Hamad Port and the inauguration of direct sea shipping routes to a number of countries. "The Qatari economy had proved that it is robust and resilient against crises, and it continued to maintain an accelerated pace of growth, according to the forecast of the World Bank. The State of Qatar has managed to achieve self-sufficiency in many goods and products by developing the food security, agriculture, and industry sectors during the siege," he added. (Gulf-Time.com)
- Qatar has flattened the curve, reduced virus impact by 75%** – Three months into the COVID-19 outbreak, Qatar has succeeded in flattening the curve and reducing the impact of the virus by 75% thanks to the preventive efforts and measures as well as the awareness and cooperation of the community. This was highlighted by Chair of the National Strategic Group on COVID-19 and head of the Infectious Diseases Division at Hamad Medical Corporation, Dr Abdullatif Al-Khal, during a televised interview on Thursday. Latest data on new cases and hospital admissions show a leveling-off, and the coming week or two will confirm if this will continue to be the trend, he said. (Gulf-Times.com)
- Qatar's producer price index drops 27% in April 2020** – The producer price index (PPI) for April 2020 reached 35.9 points showing a decrease of 27%, when compared to March 2020, monthly data released by Planning and Statistics Authority (PSA) on Monday showed. On YoY basis, the PPI of April 2020 showed a decrease of 45.2% when compared to the PPI of April 2019. The PPI covers goods relating to "Mining" (weight: 72.7%), "Manufacturing" (26.8%), and "Electricity & Water" (0.5%). The PPI of April 2020 for the Mining sector showed a decrease by 32.3% when compared with the PPI of March 2019, primarily due to the price decline of "crude petroleum and natural gas" by 32.6%. When compared with its counterpart in previous year (April 2019), there was a decrease on this sector by 51.5%. A decrease of 18% has been recorded in April 2020 for the Manufacturing sector, when compared with the previous month's Manufacturing index. Comparing with the index of counterpart in the previous year (April 2019), Manufacturing PPI of April 2020 showed a decrease of 32.5%. The PPI of Electricity & Water showed a decrease of 7.6% compared to March 2020, resulting from the decrease in electricity prices by 9.5% and water by 4.8%. On YoY basis, a decrease of 11.3% was observed, affected by fall in prices of water group by 15.9% and electricity by 7.9%. (Qatar Tribune)
- Only currency to dodge Gulf market's ire shows payoff after rift** – Three years after being isolated by its Gulf Arab neighbors, Qatar also stands apart in the currency market. Its peg against the dollar has been the only one in the region that has not come under pressure even as local economies succumb to what may be their worst recession ever. The nation's bonds have also outperformed those of the other five members of the GCC this year. Qatar has bulked up its fiscal defenses and grown more self-sufficient after four Arab states led by Saudi Arabia severed diplomatic and trade ties over accusations that it supported terrorist groups – allegations the emirate denies. The world's biggest exporter of liquefied natural gas, due to host the 2022 soccer World Cup, has since rebuilt its reserves and brought the oil price it needs to balance the budget to the lowest in the region. S&P Global Ratings projects the size of the government's liquid financial assets will average about 177% of GDP from 2021 through 2023. (Bloomberg)
- PSA: Qatar posts QR4.27bn trade surplus in April** – Qatar's trade surplus amounted to QR4.27bn in April this year amidst higher imports from China and the novel coronavirus (COVID-19), according to the Planning and Statistics Authority (PSA). The country's merchandise trade surplus, however, witnessed 66.9% YoY and 44% MoM decline; reflecting the continuing impact of the pandemic, whose pecuniary costs in terms of disruptions to the world economy and trade are yet to be ascertained in total. The Asian region accounted for about 55% of Qatar's exports, while the imports were from diversified geographies. In April 2020, total exports of goods (including exports of goods of domestic origin and re-exports) were QR11.76bn, showing 46.3% and 26.3% drop on yearly and monthly basis respectively. The exports of petroleum gases and other gaseous hydrocarbons shrank 45% YoY to QR7.62bn, crude by 68.4% to QR1.19bn, non-crude by 62% to QR0.48bn and other commodities by 26.6% to QR1.69bn at the end of April 2020. On a monthly basis, the exports of petroleum gases and other gaseous hydrocarbons tanked 27.7%, crude by 35.4%, non-crude by 34.7% and other commodities by 12.1%. Petroleum gases constituted 69% of the exports of domestic products compared to 65% a year ago period, crude 11% (18%), non-crude 4% (6%) and other commodities 15% (11%). The country's re-exports amounted to QR0.77bn in April 2020, which shrank 15.3% YoY but showed a 7.3% growth MoM. Qatar's total imports (valued at cost insurance and freight) amounted to QR7.48bn, which showed 17% and 10.1% decrease on a yearly and monthly basis respectively. (Gulf-Times.com)
- Al-Kaabi: Qatar 'full steam ahead' with North Field Expansion** – Qatar is full steam ahead with the North Field Expansion and will be awarding all our contracts for the NF expansion projects, said HE the Minister of State for Energy Affairs Saad Sherida Al-Kaabi. "We have two phases in relation to the North Field Expansion – the East and South expansion. We are going to go from 77mn tons per year (tpy) to 110mn tpy by 2025 and then up to 126mn tpy by 2027," Al-Kaabi said in a recent interview with CNBC TV. Minister Al-Kaabi noted, "Qatar is also developing our reserves in the most efficient way possible, keeping in mind safety, reliability and efficiency. We are a very efficient operator. We are talked about as the cheapest cost producer. This is because of the efficiency in which we run our

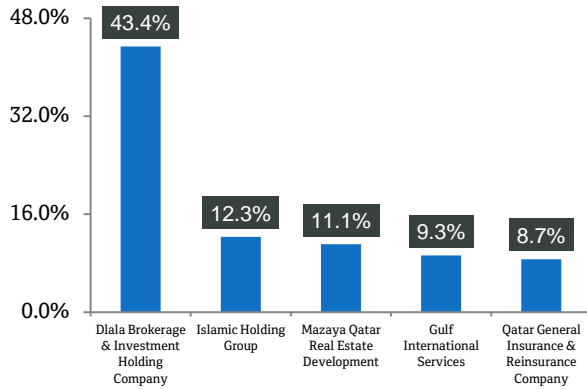
business.” Asked whether Qatar was contemplating cutting LNG production, the Minister said, “Qatar will never stop production to control the market or cater to the price decline. In Qatar, we have looked at being more efficient. Because of the circumstances we are in due to lower oil prices, we had to look at even more efficiencies in different areas. So, we have cut costs around the entire oil and gas industry in Qatar. We have come down by about 30%. That has been sufficient for us. Cutting spending will not affect our current production or expansion plans.” Recently, Qatar signed a deal worth around \$20bn with South Korean shipbuilders to help cement its position as the world’s largest producer of liquefied natural gas. “We have secured approximately 60% of the global LNG shipbuilding capacity through 2027,” Al-Kaabi told CNBC TV. (Gulf-Time.com)

- **GWCS enhancing Qatar’s food safety mechanism** – Gulf Warehousing Company (GWCS), the leading logistics provider in Qatar, has celebrated World Food Safety Day. The 2020 edition World Food Safety Day was held on June 7 under the theme “Food safety, everyone’s business”, and the action-oriented campaign promoted global food safety awareness for both public and private sector providers alike. “As a leading provider of logistics and supply chain solutions in Qatar, offering high-quality warehousing and distribution services, we are always seeking ways to provide the highest level of quality services to our clients,” GWCS Group’s CEO, Ranjeev Menon said. “The food security efforts done by Qatar are very visible and gaining every support from the government especially since the siege in 2017 and with the fight against coronavirus. Food security is paramount to our priorities, and that entails following the best practices in food safety systems,” he said. GWCS has long been a champion of quality systems, including those for food safety, with one of its two first ISO certifications being for food safety systems. This dedication to quality in food storage and distribution has led to it being trusted by remarkable retail and food distribution outlets in the country. GWCS has emerged as the provider of choice for cold chain logistics in times of economic prosperity and during crises where the company played a major role in the food supply chain in the early days of the blockade and COVID-19 outbreak in Qatar. (Qatar Tribune)
- **Moody’s affirms QIBK’s rating at ‘A1’ with a ‘Stable’ outlook** – Moody’s Investors Service (Moody’s) has affirmed the long-term deposit rating of Qatar Islamic Bank (QIBK) at ‘A1’, with a ‘Stable’ outlook. Moody’s cited, “The rating reflects the bank’s adequate capital buffers, good profitability and limited market-funding reliance, underpinned by its established and growing retail and corporate Islamic banking franchise.” The Moody’s report is highlighting QIBK’s sound liquidity which mitigates funding pressures as well as a very high probability of government support in case of need due to the bank’s importance to the local financial system and its designation as a domestic systematically important Bank by the Qatar Central Bank. As per the report, “QIBK’s outlook also takes into account the ‘Stable’ outlook on the Qatari government’s bond rating of ‘Aa3’. The bank’s concentration of activities in Qatar, around 90% of its total assets as of March 2020, has resulted in a strong macro profile score, which is used to derive its ratings.” Furthermore, the report is mentioning, “QIBK has solid asset

quality with a ratio of non-performing financing of 1.2% which compares favorably with the 1.9% average for the Qatari banking system (as of December 2019). The bank’s asset quality is also supported by exposures to the Qatari government and quasi-government institutions.” Moody’s expects QIBK’s adequate capitalization to remain stable, with the bank meeting future capital requirements arising from its asset growth through a combination of retained earnings and capital issuances. (QSE)

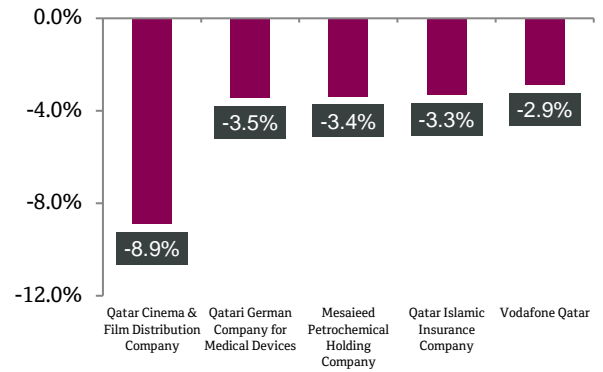
# Qatar Stock Exchange

## Top Gainers



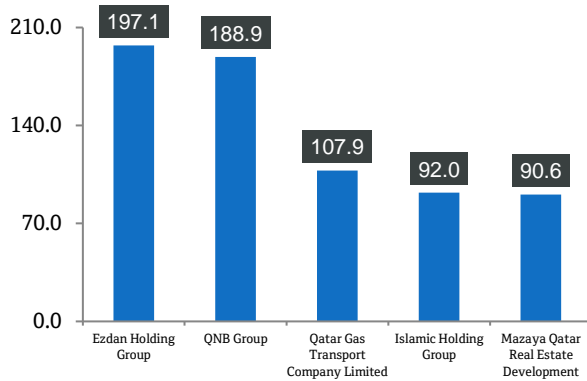
Source: Qatar Stock Exchange (QSE)

## Top Decliners



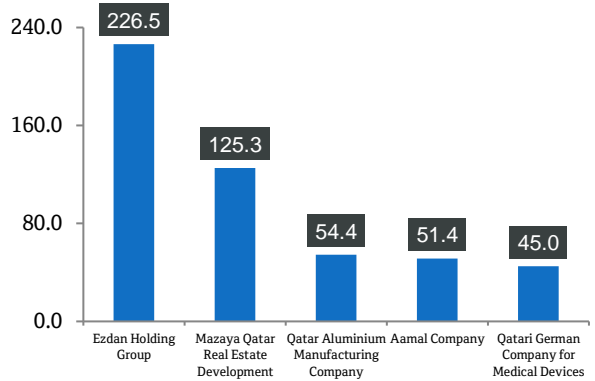
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Value (QR Million)



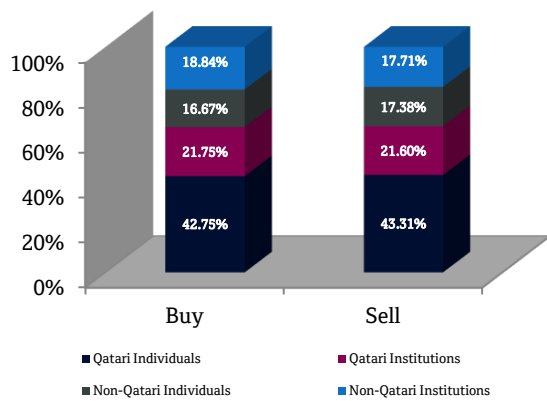
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Volume (Million)



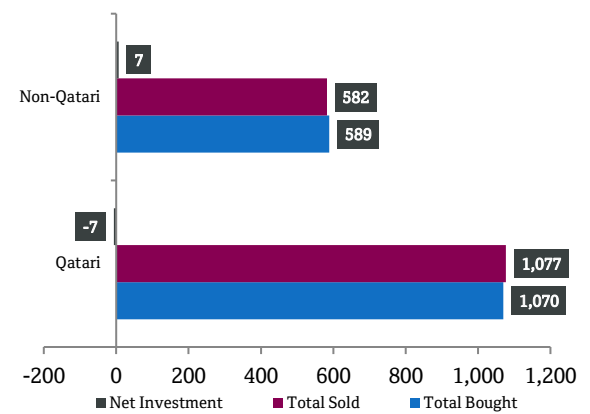
Source: Qatar Stock Exchange (QSE)

## 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 QSE Index closed flat at 9233.35 level, losing only 0.2% from the week before. Our thesis has not changed; the Index remains below its major moving averages, which indicates selling pressure has persisted, however, the price has bounced off the short-term uptrend corrective channel. As a result, we cannot anticipate the next move for the market as it seeks direction. That being said, we update our major support level to the 8,800 level and the resistance is now at the 9,700 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 June 11	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	17.70	(1.72)	(14.04)	163,485	13.0	2.4	3.4
Qatar Islamic Bank	16.35	2.19	6.65	38,634	13.6	2.4	3.2
Commercial Bank of Qatar	3.90	(1.34)	(17.04)	15,780	9.1	0.9	5.1
Doha Bank	2.17	2.75	(14.31)	6,722	12.2	0.8	N/A
Al Ahli Bank	3.20	0.00	(4.00)	7,775	11.5	1.4	4.5
Qatar International Islamic Bank	8.08	(1.42)	(16.53)	12,231	13.9	2.2	5.3
Masraf Al Rayan	3.89	(0.28)	(1.79)	29,168	13.4	2.3	5.8
Al Khaliji Bank	1.32	0.46	0.46	4,738	7.9	0.9	5.7
Qatar First Bank	1.00	2.37	21.64	697	N/A	1.4	N/A
National Leasing	0.74	(0.41)	4.40	364	26.4	0.5	6.8
Dlala Holding	1.00	43.41	63.83	284	N/A	1.5	N/A
Qatar & Oman Investment	0.59	5.75	(11.96)	186	26.0	0.7	3.4
Islamic Holding Group	2.83	12.30	48.95	160	200.3	1.2	N/A
<b>Banking and Financial Services</b>				<b>280,222</b>			
Zad Holding	14.21	(0.63)	2.82	3,368	16.3	2.1	6.0
Qatar German Co. for Medical Devices	1.17	(3.46)	101.55	135	N/A	4.8	N/A
Salam International Investment	0.32	0.63	(38.68)	362	N/A	0.4	N/A
Baladna	1.17	(0.84)	17.40	2,232	N/A	1.0	1.8
Medicare Group	6.91	(2.81)	(18.28)	1,943	27.3	2.0	26.1
Qatar Cinema & Film Distribution	2.55	(8.90)	15.91	160	35.6	0.1	3.9
Qatar Fuel	16.99	(0.06)	(25.81)	16,892	15.1	2.0	4.7
Qatar Meat and Livestock	6.35	(1.09)	(6.07)	1,143	11.5	3.6	4.7
Mannai Corp.	3.04	1.74	(1.30)	1,387	10.6	0.5	6.7
Al Meera Consumer Goods	18.10	0.89	18.30	3,620	18.8	2.9	4.7
<b>Consumer Goods and Services</b>				<b>31,243</b>			
Qatar Industrial Manufacturing	2.83	4.62	(20.73)	1,345	14.4	0.9	5.3
Qatar National Cement	3.90	0.59	(30.97)	2,549	17.9	0.9	7.7
Industries Qatar	8.40	(1.18)	(18.29)	50,820	24.4	1.6	4.8
Qatari Investors Group	1.67	3.66	(6.70)	2,076	19.5	0.7	3.3
Qatar Electricity and Water	16.27	0.25	1.12	17,897	12.6	2.2	4.8
Aamal	0.67	3.08	(17.59)	4,221	13.7	0.5	6.0
Gulf International Services	1.58	9.25	(8.02)	2,940	106.1	0.8	N/A
Mesaieed Petrochemical Holding	2.06	(3.39)	(18.13)	25,817	26.5	1.8	3.4
Investment Holding Group	0.50	4.42	(12.06)	412	8.3	0.5	N/A
Qatar Aluminum Manufacturing	0.71	1.44	(9.73)	3,934	N/A	0.7	1.4
<b>Industrials</b>				<b>112,011</b>			
Qatar Insurance	2.02	0.55	(36.04)	6,601	67.2	0.9	7.4
Doha Insurance	1.07	0.47	(10.83)	535	11.5	0.5	7.5
Qatar General Insurance & Reinsurance	2.12	8.66	(13.82)	1,855	N/A	0.4	N/A
Al Khaleej Takaful Insurance	1.99	3.92	(0.50)	508	16.1	1.0	2.5
Qatar Islamic Insurance	6.25	(3.33)	(6.42)	938	12.7	2.7	6.0
<b>Insurance</b>				<b>10,437</b>			
United Development	1.22	2.01	(20.00)	4,306	17.8	0.4	4.1
Barwa Real Estate	2.95	0.51	(16.67)	11,479	9.5	0.6	6.8
Ezdan Real Estate	0.88	7.06	42.93	23,315	2448.5	0.7	N/A
Mazaya Qatar Real Estate Development	0.75	11.08	4.59	871	30.7	0.7	N/A
<b>Real Estate</b>				<b>39,971</b>			
Ooredoo	6.73	(0.37)	(4.94)	21,558	12.8	1.0	3.7
Vodafone Qatar	1.08	(2.89)	(7.16)	4,552	31.0	1.0	4.6
<b>Telecoms</b>				<b>26,110</b>			
Qatar Navigation (Milaha)	5.65	(2.01)	(7.31)	6,475	12.4	0.5	5.3
Gulf Warehousing	5.06	(2.81)	(7.70)	296	12.3	1.7	4.0
Qatar Gas Transport (Nakilat)	2.49	1.63	4.18	13,795	13.3	2.4	4.0
<b>Transportation</b>				<b>20,567</b>			
<b>Qatar Exchange</b>				<b>523,228</b>			

Source: Bloomberg

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