

## Market Review and Outlook

The Qatar Stock Exchange (QSE) Index increased by 378.91 points, or 4.27% during the week, to close at 9,252.07. Market capitalization increased by 4.0% to reach QR524.6 billion (bn) as compared to QR504.4bn at the end of the previous week. Of the 47 listed companies, 35 companies ended the week higher, while 10 fell and 2 remained unchanged. Qatar German Co. for Medical Devices (QGMD) was the best performing stock for the week, with a gain of 15.1%. On the other hand, Qatar General Insurance & Reinsurance (QGRI) was the worst performing stock with a decline of 6.3%.

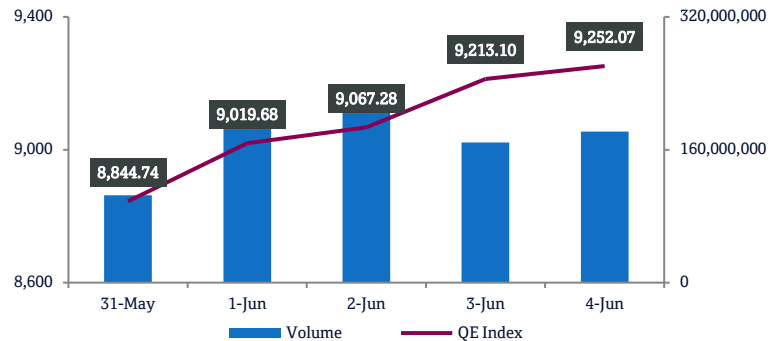
**Industries Qatar (IQCD), Qatar Islamic Bank (QIBK) and Commercial Bank of Qatar (CBQK) were the primary contributors to the weekly index gain.** IQCD was the biggest contributor to the index's weekly gain, adding 76.7 points to the index. QIBK was the second biggest contributor to the mentioned gain, contributing 49.7 points to the index. Moreover, CBQK tacked on 36.4 points to the index.

**Trading value during the week decreased by 9.9% to reach QR2,057mn vs. QR2,284mn in the prior week.** The Banks and Financial Services sector led the trading value during the week, accounting for 40.6% of the total trading value. Industrials sector was the second biggest contributor to the overall trading value, accounting for 17.5% of the total trading value. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR375.3mn.

**Trading volume decreased by 8.5% to reach 885.0mn shares vs. 967.5mn shares in the prior week.** The number of transactions rose by 15.6% to reach 61,176 transactions versus 52,911 transactions in the prior week. Real Estate sector led the trading volume, accounting for 33.6%, followed by the Industrials sector comprising 21.4% of the overall trading volume. Ezdan Holding Group (ERES) was the top volume traded stock during the week with total traded volume of 207.7mn shares.

**Foreign institutions ended the week with net buying of QR190mn vs. net selling of QR185mn in the prior week.** Qatari institutions remained positive with net buying of QR2mn vs. net buying of QR175mn in the week before. Foreign retail investors turned negative with net selling of QR4mn vs. net buying of QR2mn in the prior week. Qatari retail investors turned bearish with net selling of QR188mn vs. net buying of QR8mn the week before.

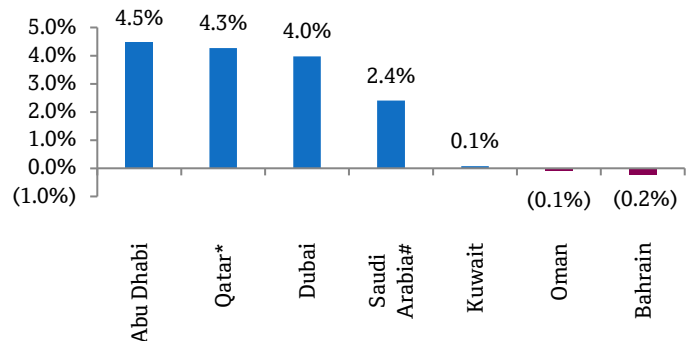
## QSE Index and Volume



Market Indicators	Week ended June 04, 2020	Week ended May 21, 2020	Chg. %
Value Traded (QR mn)	2,057.2	2,283.8	(9.9)
Exch. Market Cap. (QR mn)	524,628.9	504,398.9	4.0
Volume (mn)	885.0	967.5	(8.5)
Number of Transactions	61,176	52,911	15.6
Companies Traded	47	47	0.0
Market Breadth	35:10	29:17	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	17,786.80	4.3	4.6	(7.3)
ALL Share Index	2,867.99	3.7	4.4	(7.5)
Banks and Financial Services	3,999.53	2.6	4.2	(5.2)
Industrials	2,628.79	7.1	7.3	(10.3)
Transportation	2,653.96	3.8	2.5	3.9
Real Estate	1,401.96	2.7	2.4	(10.4)
Insurance	2,008.34	(0.7)	(3.4)	(26.6)
Telecoms	890.29	7.4	7.8	(0.5)
Consumer Goods & Services	7,450.84	5.3	4.6	(13.8)
Al Rayan Islamic Index	3,691.53	4.5	4.3	(6.6)

## 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*	9,252.07	4.3	4.6	(11.3)	561.99	142,856.5	14.6	1.4	4.3
Dubai	2,039.48	4.0	4.9	(26.2)	281.35	79,489.1	8.0	0.7	4.8
Abu Dhabi	4,303.14	4.5	3.9	(15.2)	267.87	131,089.6	13.3	1.3	5.9
Saudi Arabia#	7,222.41	2.4	0.1	(13.9)	9,093.43	2,207,146.8	21.9	1.7	3.6
Kuwait	5,022.84	0.1	0.5	(20.0)	373.32	92,737.1	14.6	1.1	4.1
Oman	3,517.60	(0.1)	(0.8)	(11.6)	14.09	15,309.3	9.1	0.8	6.8
Bahrain	1,273.34	(0.2)	0.3	(20.9)	16.66	19,678.9	9.1	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 03, 2020)

## Economic News / Market &amp; Corporate News

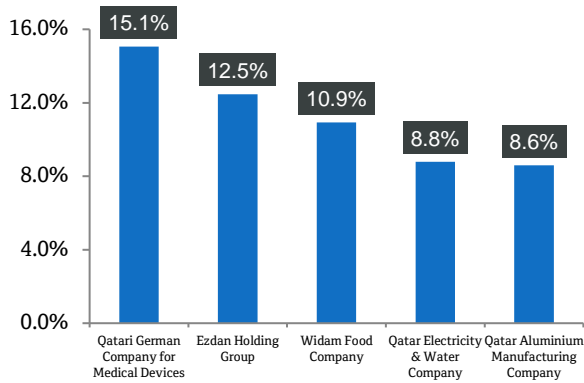
- Forbes ranks QNB Group as top bank in the MENA region with \$264.9bn assets** – This year's Forbes Global (Forbes) 2,000 list has ranked Qatar's largest financial institution QNB Group as the largest bank by asset size in the Middle East and North Africa (MENA) region. In the Forbes Global 2000 list released recently, QNB Group is the top bank regionally and 190th globally with a market value and assets of \$43.7bn and \$264.9bn, respectively. Other Qatari banks on the list are Qatar Islamic Bank, Masraf Al Rayan and The Commercial Bank. (Qatar Tribune)
- Qatar Petroleum signs largest LNG shipbuilding agreements in history** – Qatar Petroleum (QP) signed the largest LNG shipbuilding agreements in history on Monday, aimed at securing more than 100 ships valued in excess of QR70bn to cater to its LNG growth plans. The three agreements reserve LNG ship construction capacity in South Korea to be utilized for QP's future LNG carrier fleet requirements, including those for the ongoing expansion projects in the North Field and in the US. Under the agreements, the 'Big 3' Korean shipyards - Daewoo Shipbuilding & Marine Engineering (DSME), Hyundai Heavy Industries (HHI) and Samsung Heavy Industries (SHI) - will reserve a major portion of their LNG ship construction capacity for QP through the year 2027. HE the Minister of State for Energy Affairs Saad Sherida Al-Kaabi said, "The signing of today's agreements with the three esteemed Korean companies reflects our commitment to the North Field expansion projects, even during these extraordinary times. As I have previously stated, we are moving full steam ahead with the North Field expansion projects to raise Qatar's LNG production capacity from 77mn today to 126mn tons per year by 2027 to ensure the reliable supply of additional clean energy to the world at a time when investments to meet these requirements are most needed. These agreements will ensure our ability to meet our future LNG fleet requirements to support our expanding LNG production capacity and long-term fleet replacement requirements. With the conclusion of these milestones agreements, we have everything in place to commence the largest LNG shipbuilding program in history. We have secured approximately 60% of the global LNG shipbuilding capacity through 2027 to cater for our LNG carrier fleet requirements in the next seven to eight years, which could reach 100+ new vessels with a program value in excess of QR70bn." (Gulf-Times.com)
- Two more Qatari LNG tankers due in Britain in addition to four scheduled earlier** – Two more liquefied natural gas (LNG) tankers from Qatar are heading to Britain in addition to four scheduled earlier, port data showed on Monday. The Al Mayeda vessel is expected at the South Hook terminal on June 13. Its capacity is 262,000 cubic meters. The Al Hamla tanker has a capacity of 212,000 cubic meters and is scheduled to arrive to the same port on June 15. One of the four vessels scheduled earlier arrived in Britain on Sunday and is being unloaded, Refintiv shipping data showed. (Zawya)
- Nakilat transitions LNG Al Kharaitiyat to in-house management** – Qatar Gas Transport Company Limited (Nakilat) has assumed full ship management and operations of Q-Flex LNG carrier Al Kharaitiyat from Shell Trading and Shipping Company Limited (Shell) with effect from May 27, 2020, as part of the second phase of its planned fleet management transition program. With a cargo carrying capacity of 216,300 cubic meters, Al Kharaitiyat is wholly-owned by Nakilat and chartered by Qatargas. The vessel was built in South Korea by Hyundai Heavy Industries, delivered in June 2009 and has been in service ever since. Al Kharaitiyat is the second vessel that will come under the management of Nakilat Shipping Qatar Ltd. (NSQL) this year as part of this second phase transition, bringing the total number of vessels managed by NSQL to 20, comprising of 16 LNG and 4 LPG carriers. (QSE, Gulf-Times.com)
- EIU: Qatar's ability to fully service debt obligations remains strong** – Qatar's ability to fully service its debt obligations remains strong, although there will be an expected surge in the country's fiscal financing needs, the Economist Intelligence Unit (EIU) has said in an update. The economic shock from the coronavirus pandemic is expected to lead to a drop in goods export earnings and a shift to a fiscal deficit, it said. The country's exports are expected to decline sharply in 2020, but the Riyal's peg to the Dollar is backed by ample foreign reserves and the assets of the Qatar Investment Authority (QIA), the sovereign wealth fund). "Despite the current account moving into deficit in 2020-21, the currency regime should be able to weather the short-term shocks posed by the coronavirus pandemic," the EIU noted. Commercial banks in the country have been increasing liquidity from abroad in the form of a number of debt issues, and cash injections from the QIA have bolstered banks' liquidity. The ratio of non-performing loans as a proportion of total loans has historically been low, but it is likely to rise in the short term, it said. Qatar's overdependence on hydrocarbons exports leaves it exposed to international price movements. Efforts to promote economic diversification will be hampered by the oil price slump, the EIU report said. "The country's large stock of public debt weighs on the outlook, but a sound financial system is supportive," the EIU said. (Gulf-Times.com)
- FocusEconomics: Qatar's fiscal balance to GDP set to rise to 3.2% in 2024** – Qatar's fiscal balance as a percentage of GDP is set to rise to 3.2% in 2024 from an estimated -6.9% this year, FocusEconomics has said in its country report. The country's merchandise trade balance may scale up to \$50.6bn from \$24.4bn this year, it said. According to FocusEconomics, Qatar's public debt (as a percentage of GDP) has been forecast to fall to 61.8 from 65.6 this year. The country's public debt as a percentage of the gross domestic product will fall continuously over the next four years, the researcher said. It is projected at 67.6 next year, 66 (in 2022) and 63.9 in 2023. Qatar's GDP has been estimated to reach \$220bn in 2024 from \$180bn this year. Next year, it will be \$189bn, followed by \$199bn (2022) and \$209bn in 2023. GDP per capita, FocusEconomics said, has been estimated to reach \$79,072 in 2024 from \$65,395 this year. GDP per capita next year will be \$68,249, followed by \$71,585 in 2022 and \$75,185 in 2023. Qatar's economic growth in terms of nominal GDP will reach 5.4% in 2024 from -1.6% by the year-

end. Next year, economic growth in terms of nominal GDP will be 4.6%, 5.2% in 2022 and 5.3% in 2023. The current account balance (as a percentage of GDP) will be 3.1 in 2024 compared with -4.4 in 2020, -0.6 (2021), 1.9 (2022) and 2.5 in 2023. International reserves may exceed \$34.9bn in 2024, from \$35.3bn this year. The country's inflation, the report noted, will be 0% this year, 1.5% (2021), 1.8% (2022), 1.8% (2023) and 1.9% in 2024. Qatar's unemployment rate (as a percentage of active population) will remain a meager 0.2% in 2024, unchanged from this year. (Gulf-Times.com)

- **Al-Kaabi: Qatar Petroleum to cut expenditure by 30%** – Qatar Petroleum will cut its capital and operating expenditure by 30% amid slumping energy prices, CEO Saad Al-Kaabi says in virtual briefing. Al-Kaabi said, “We are a lean and efficient organization across the board. Pandemic hasn’t hit gas as hard as oil. Gas is also a challenge but less so than oil, though effects could linger for a long time”. He said the company is looking for investment opportunities around world, which may be cheaper because of market conditions. (Bloomberg)
- **Al-Kaabi: Qatar Petroleum’s cost cutting will not affect LNG output** – The world’s biggest liquefied natural gas producer plans to reduce its spending by about 30%, but cuts won’t affect Qatar Petroleum’s current production or expansion plans, according to Al-Kaabi, the company’s CEO and the country’s Energy Minister. The CEO said, “All the major capital projects are moving ahead. QP won’t cut capital expenditure in projects that affect production or future developments, only those that were good to have but not essential” (Bloomberg)
- **Qatar Petroleum to invite Exxon, Chevron, Conoco for gas JV talks** – Qatar Petroleum (QP) will invite Exxon, Chevron and ConocoPhillips for talks to form a joint venture to expand gas production at the North Field, said QP’s President and CEO, Saad Al-Kaabi. QP wants to de-risk the project as much as possible before negotiating with potential partners. QP will outline project costs to companies so investors will come in with open eyes and understanding the costs. (Bloomberg)
- **Qatar Petroleum full steam ahead with expansion plans** – Qatar Petroleum's plans to sharply expand liquefied natural gas (LNG) capacity by the middle of the decade remain on track, it was affirmed on Thursday. Speaking during a webcast organized by the US-Qatar Business Council, HE Saad Sherida Al-Kaabi, Minister of State for Energy Affairs, said Qatar Petroleum will not cut its gas exports due to the weaker demand caused by the coronavirus disease outbreak. Qatar Petroleum wants to lift its LNG output to around 110mn tons per annum (mtpa) by 2024 from today's 77 mtpa in the first phase of its expansion. Those plans remain on course, HE Al-Kaabi said. "We're full steam ahead, we're going to expand," he said. (Gulf-Times.com)

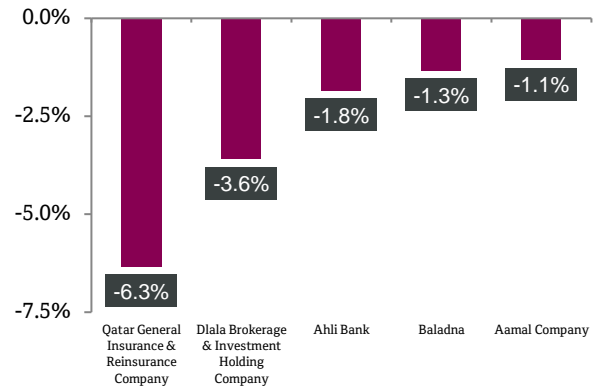
# Qatar Stock Exchange

## Top Gainers



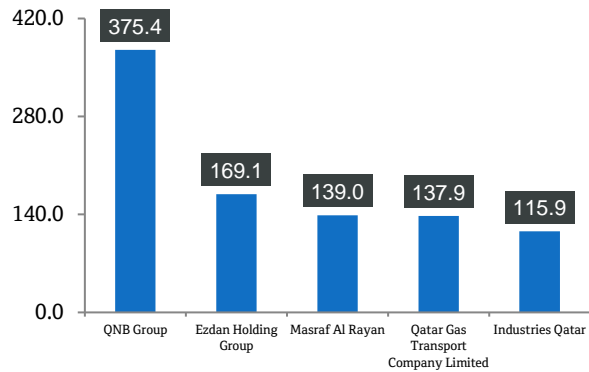
Source: Qatar Stock Exchange (QSE)

## Top Decliners



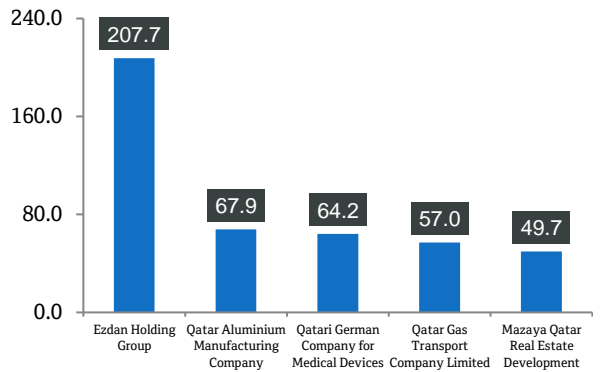
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Value (QR Million)



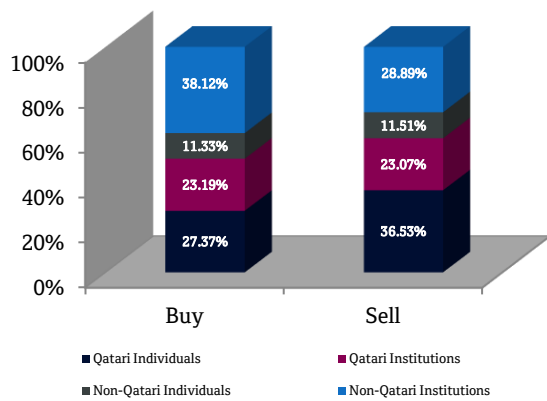
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Volume (Million)



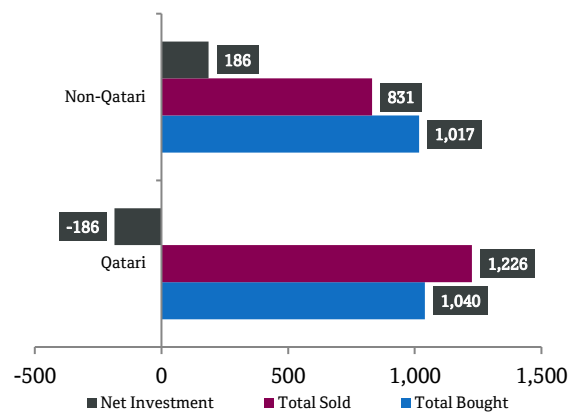
Source: Qatar Stock Exchange (QSE)

## 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 QSE Index closed higher at 9,252.07 level, up by 4.27% 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. Our major support remains at the 8,600 level and the resistance is now at the 9,350 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 04	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	18.01	1.87	(12.53)	166,348	13.2	2.5	3.3
Qatar Islamic Bank	16.00	3.90	4.37	37,807	13.3	2.3	3.3
Commercial Bank of Qatar	3.95	6.96	(15.91)	15,995	9.2	1.0	5.1
Doha Bank	2.11	4.46	(16.60)	6,542	11.8	0.8	N/A
Al Ahli Bank	3.20	(1.84)	(4.00)	7,775	11.5	1.4	4.5
Qatar International Islamic Bank	8.20	5.62	(15.33)	12,406	14.1	2.2	5.2
Masraf Al Rayan	3.90	(0.51)	(1.52)	29,250	13.4	2.3	5.8
Al Khaliji Bank	1.31	0.00	0.00	4,716	7.9	0.9	5.7
Qatar First Bank	0.97	2.86	18.83	680	N/A	1.3	N/A
National Leasing	0.74	8.20	4.82	366	26.5	0.5	6.8
Diala Holding	0.70	(3.59)	14.24	198	N/A	1.1	N/A
Qatar & Oman Investment	0.56	2.96	(16.74)	175	24.6	0.6	3.6
Islamic Holding Group	2.52	4.91	32.63	143	178.3	1.0	N/A
<b>Banking and Financial Services</b>				<b>282,401</b>			
Zad Holding	14.30	2.07	3.47	3,389	16.4	2.1	5.9
Qatar German Co. for Medical Devices	1.22	15.06	108.76	140	N/A	5.0	N/A
Salam International Investment	0.32	2.61	(39.07)	360	N/A	0.4	N/A
Baladna	1.18	(1.33)	18.40	2,251	N/A	1.0	1.8
Medicare Group	7.11	5.70	(15.92)	2,000	28.1	2.1	25.3
Qatar Cinema & Film Distribution	2.80	0.00	27.23	176	39.0	0.1	3.6
Qatar Fuel	17.00	6.25	(25.76)	16,902	15.2	2.0	4.7
Qatar Meat and Livestock	6.42	10.94	(5.03)	1,156	11.6	3.7	4.7
Mannai Corp.	2.99	(0.07)	(2.99)	1,363	10.5	0.5	6.7
Al Meera Consumer Goods	17.94	1.93	17.25	3,588	18.7	2.8	4.7
<b>Consumer Goods and Services</b>				<b>31,325</b>			
Qatar Industrial Manufacturing	2.71	6.04	(24.23)	1,285	13.7	0.8	5.5
Qatar National Cement	3.88	1.76	(31.38)	2,534	17.8	0.9	7.7
Industries Qatar	8.50	8.01	(17.32)	51,425	24.7	1.6	4.7
Qatari Investors Group	1.61	(0.80)	(10.00)	2,003	18.8	0.7	3.4
Qatar Electricity and Water	16.23	8.78	0.87	17,853	12.6	2.2	4.8
Aamal	0.65	(1.07)	(20.05)	4,095	13.3	0.5	6.2
Gulf International Services	1.45	7.50	(15.81)	2,691	97.1	0.8	N/A
Mesaieed Petrochemical Holding	2.13	6.14	(15.26)	26,722	27.5	1.9	3.3
Investment Holding Group	0.48	6.98	(15.78)	394	8.0	0.5	N/A
Qatar Aluminum Manufacturing	0.70	8.59	(11.01)	3,878	N/A	0.7	1.4
<b>Industrials</b>				<b>112,880</b>			
Qatar Insurance	2.01	(0.54)	(36.39)	6,565	66.8	0.9	7.5
Doha Insurance	1.07	6.50	(11.25)	533	11.4	0.5	7.5
Qatar General Insurance & Reinsurance	1.95	(6.34)	(20.69)	1,707	N/A	0.4	N/A
Al Khaleej Takaful Insurance	1.92	(0.31)	(4.25)	489	15.5	1.0	2.6
Qatar Islamic Insurance	6.47	4.29	(3.20)	970	13.1	2.8	5.8
<b>Insurance</b>				<b>10,263</b>			
United Development	1.19	2.14	(21.58)	4,221	17.5	0.4	4.2
Barwa Real Estate	2.94	1.21	(17.09)	11,421	9.4	0.6	6.8
Ezdan Real Estate	0.82	12.47	33.50	21,777	N/A	0.7	N/A
Mazaya Qatar Real Estate Development	0.68	2.11	(5.84)	784	27.7	0.6	N/A
<b>Real Estate</b>				<b>38,202</b>			
Ooredoo	6.76	7.24	(4.59)	21,638	12.9	1.0	3.7
Vodafone Qatar	1.11	7.98	(4.40)	4,688	32.0	1.1	4.5
<b>Telecoms</b>				<b>26,325</b>			
Qatar Navigation (Milaha)	5.77	0.40	(5.41)	6,608	12.7	0.5	5.2
Gulf Warehousing	5.20	2.26	(5.04)	305	12.6	1.8	3.8
Qatar Gas Transport (Nakilat)	2.45	6.52	2.51	13,574	13.0	2.3	4.1
<b>Transportation</b>				<b>20,487</b>			
<b>Qatar Exchange</b>				<b>524,629</b>			

Source: Bloomberg

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