

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index increased by 210.47 points, or 2.07% during the week, to close at 10,358.35. Market capitalization increased by 2.0% to reach QR573.3 billion (bn) as compared to QR562.2bn at the end of the previous week. Of the 46 listed companies, 26 companies ended the week higher, while 16 fell and 4 remained unchanged. Qatar Oman Investment Company (QOIS) was the best performing stock for the week, with a gain of 9.3% on 22.8 million (mn) shares traded. On the other hand, Islamic Holding Group (IHGS) was the worst performing stock with a decline of 8.8% on 7.3mn shares traded.

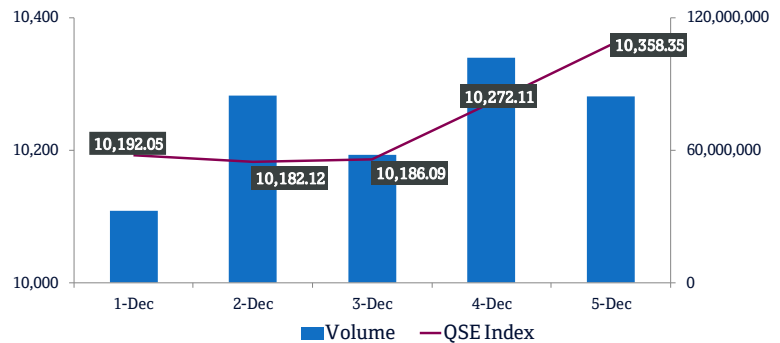
Industries Qatar (IQCD), QNB Group (QNBK) and Qatar Islamic Bank (QIBK) were the primary contributors to the weekly index gain. IQCD was the biggest contributor to the index's weekly increase, adding 46.6 points to the index. QNBK was the second biggest contributor to the mentioned gain, tacking on 40.7 points to the index. Moreover, QIBK contributed 31.8 points to the index.

Trading value during the week decreased by 51.0% to reach QR1,110.9mn vs. QR2,266.8mn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 55.5% of the total trading value. Industrials sector was the second biggest contributor to the overall trading value, accounting for 16.3% of the total trading value. QNBK was the top value traded stock during the week with total traded value of QR317.0mn.

Trading volume decreased by 4.5% to reach 361.4mn shares vs. 378.6mn shares in the prior week. The number of transactions decreased by 20.5% to reach 31,235 transactions versus 39,298 transactions in the prior week. Banks & Financial Services sector led the trading volume, accounting for 33.4%, followed by the Industrials sector, which accounted for 29.2% of the overall trading volume. Aamal (AHCS) was the top volume traded stock during the week with total traded volume of 61.3mn shares.

Foreign institutions ended the week with net buying of QR73.6mn vs. net selling of QR44.5mn in the prior week. Qatari institutions remained bullish with net buying of QR110.6mn vs. net buying of QR35.6mn in the week before. Foreign retail investors turned negative with net selling of QR10.4mn vs. net buying of QR13.1mn in the prior week. Qatari retail investors remained bearish with net selling of QR173.8mn vs. net selling of QR4.2mn the week before. Foreign institutions have bought (net basis) ~\$1.4bn worth of Qatari equities in 2019.

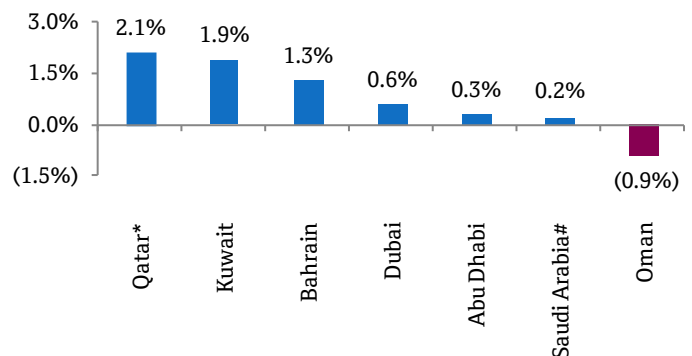
QSE Index and Volume



Market Indicators	Week ended Dec 05, 2019	Week ended Nov 28, 2019	Chg. %
Value Traded (QR mn)	1,110.9	2,266.8	(51.0)
Exch. Market Cap. (QR mn)	573,350.5	562,181.1	2.0
Volume (mn)	361.4	378.6	(4.5)
Number of Transactions	31,235	39,298	(20.5)
Companies Traded	45	46	(2.2)
Market Breadth	26:16	17:26	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	19,060.25	2.1	2.1	5.0
ALL Share Index	3,060.84	2.0	2.0	(0.6)
Banks and Financial Services	4,097.15	2.4	2.4	6.9
Industrials	2,986.86	2.2	2.2	(7.1)
Transportation	2,608.09	(0.8)	(0.8)	26.6
Real Estate	1,529.16	2.2	2.2	(30.1)
Insurance	2,692.43	(0.7)	(0.7)	(10.5)
Telecoms	925.58	4.2	4.2	(6.3)
Consumer Goods & Services	8,648.50	1.6	1.6	28.1
Al Rayan Islamic Index	3,958.07	1.7	1.7	1.9

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*	10,358.35	2.1	2.1	0.6	303.23	157,442.0	15.0	1.5	4.1
Dubai	2,694.71	0.6	0.6	6.5	120.51	99,612.3	10.7	1.0	4.3
Abu Dhabi	5,046.61	0.3	0.3	2.7	113.32	140,283.8	15.5	1.4	4.9
Saudi Arabia#	7,871.20	0.2	0.2	0.6	2,863.36	491,430.9	20.3	1.7	3.8
Kuwait	6,038.35	1.9	1.9	18.9	674.32	112,736.0	15.0	1.4	3.5
Oman	4,028.89	(0.9)	(0.9)	(6.8)	57.01	17,336.0	7.6	0.7	7.4
Bahrain	1,547.31	1.3	1.3	15.7	47.03	24,106.4	12.5	1.0	5.0

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; # Data as of December 04, 2019)

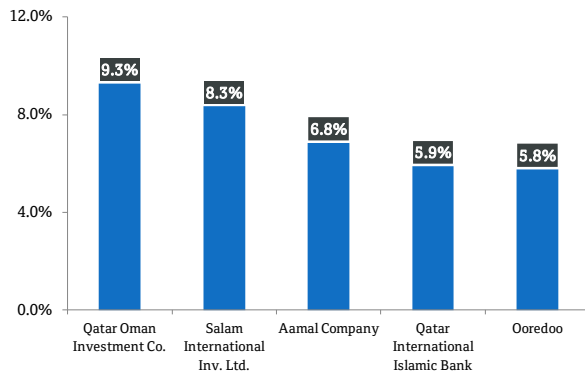
Economic News / Market & Corporate News

- **Amir receives invitation to attend GCC Summit** – Amir HH Sheikh Tamim bin Hamad Al Thani received a written message from the Custodian of the Two Holy Mosques King Salman bin Abdulaziz Al Saud of the Kingdom of Saudi Arabia inviting HH the Amir to attend the GCC Supreme Council 40th session to be held in Riyadh, Saudi Arabia, on December 10. The message was received by Deputy Prime Minister and Minister of Foreign Affairs HE Sheikh Mohamed bin Abdulrahman Al Thani, during his meeting yesterday with the Secretary-General of the Gulf Cooperation Council, HE Abdullatif bin Rashid Al Zayani. (Peninsula Qatar)
- **QCSD amended the individual ownership limit of GISS to 2%** – Qatar Central Securities Depository (QCSD) has modified the individuals' ownership limit of Gulf International Services (GISS) to be 2% of the capital, which is equal to 37,168,174 shares. (QSE)
- **Achievement of financial close – Ro expansion project** – Qatar Electricity & Water Company announced that Umm Al Houll Power (UHP) is delighted completed financial arrangement with internationally syndicated lenders to fund UHP's on-going project to increase desalinated water production capacity by reverse osmosis membrane technology (RO Expansion Project). Presently UHP is generating 2,520 MW of electricity and 136.5 MIGD of desalinated water. Upon completion of the RO Expansion Project adding 61.45 MIGD extra water output and raising water production capacity to 197.95 MIGD, UHP will produce approximately 25% of electricity and approximately 40% of water of Qatar's respective production capacity, and will be one of the largest power and desalinated water producers in the Middle East. Operation of the RO Expansion Project is planned to commence in April 2021 and will be continued until 2043 on a long term basis along with UHP's current production. As the reliable producer of living essential utility, electricity and water, UHP will continue to contribute to the State of Qatar. (QSE)
- **MPHC receives income tax exemption** – Mesaieed Petrochemical Holding Company (MPHC) announced that it has received income tax exemption from the Government. As per the exemption, effective from January 01, 2019, MPHC's shareholding in all of its Joint Ventures will be fully exempt from any income tax liability. In line with the historical tax exemption mechanism, it has also been approved that MPHC will be entitled to a tax refund of QR170mn pertaining to the financial year 2018. This will enhance MPHC's overall financial position and profitability, which would lead to improved shareholder value. (QSE)
- **Qatar's economic outlook remains positive** – HE Sheikh Abdulla bin Saoud Al Thani, Governor of Qatar Central Bank (QCB) has stated that Qatar's economic outlook is positive and the growth is expected to recover significantly in the second half of 2019. "While many high frequency indicators such as Industrial Production Index (IPI), particularly manufacturing, PMI and others have shown a marked improvement in the recent period, hydrocarbon production is also slated to increase around the end of 2019 from new project coming on stream," the QCB's

Governor said. Citing IMF report Sheikh Abdulla added that Qatar's GDP is expected to grow by 2.0% in 2019. In an interview to the Euromoney, ahead of the latest edition of Euromoney Qatar Conference, the QCB Governor noted that the contraction in Qatar's 2Q-2019 GDP growth was due to a combination of global and domestic factors. Despite supply cut by the OPEC plus group, the global economic slowdown continued to weigh on energy prices and imports of many advanced and emerging market economies. In terms of domestic factors, the expected ongoing cyclical downturn in construction sector contributed negatively to non-hydrocarbon sector growth. Sheikh Abdulla noted that the economic outlook for 2020 remains positive as number of policy measures undertaken in the recent years are expected to boost overall economic growth and business sentiments. Favorable macroeconomic fundamentals and financial stability will also provide growth enabling macroeconomic environment. The external account surplus and fiscal buffer provide the necessary macroeconomic strength in Qatar. In fact, as per the latest IMF - WEO report, Qatar's GDP growth is projected to improve to 2.8% in 2020, which would be one of the fastest in the GCC region. Furthermore, he added, the economic growth is expected to be broad-based, driven by recovery in both hydrocarbon and non-hydrocarbon sector. The hydrocarbon sector is likely to grow in tandem with the planned expansion of energy production in the next few years, which itself would have a catalytic impact on non-hydrocarbon sector. At the same time, number of policy measures undertaken to help economic diversification, will boost economic growth in the non-hydrocarbon sector. (Peninsula Qatar)

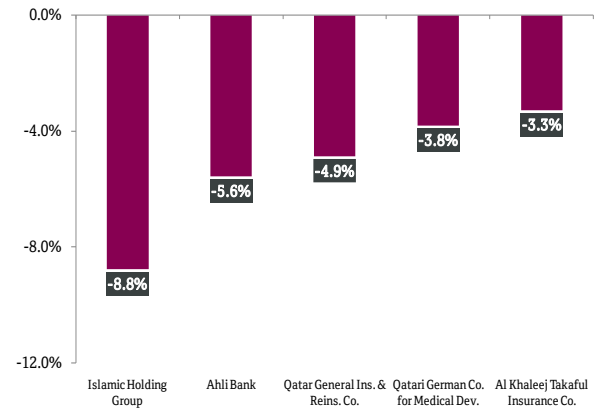
Qatar Stock Exchange

Top Gainers



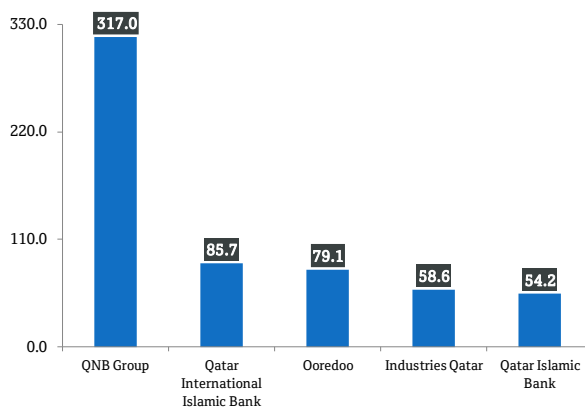
Source: Qatar Stock Exchange (QSE)

Top Decliners



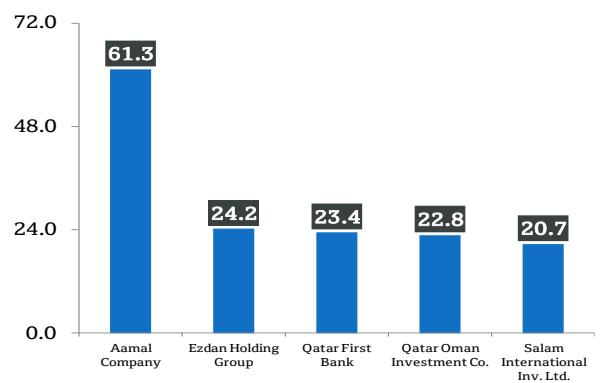
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



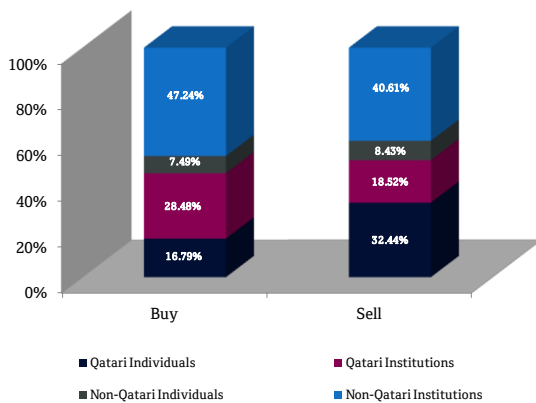
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



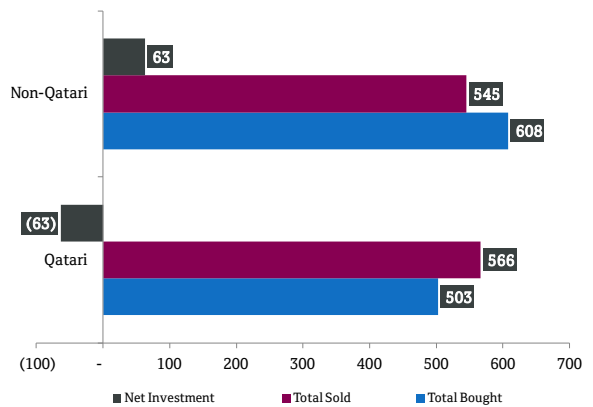
Source: Qatar Stock Exchange (QSE)

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 2.07% from the week before, and closed at the 10,358.35 level. Our thesis has not changed over the past few weeks, as the Index kept moving inside the corrective channel and bounced below the strong resistance (around the 10,600 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 December 05	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	19.75	2.60	1.28	182,419	14.2	2.5	3.0
Qatar Islamic Bank	15.25	2.62	0.33	36,035	13.1	2.2	3.3
Commercial Bank of Qatar	4.43	1.14	12.47	17,929	10.9	1.0	3.4
Doha Bank	2.55	0.79	14.86	7,906	11.2	0.8	3.9
Al Ahli Bank	3.40	(5.56)	33.57	7,867	11.7	1.3	2.6
Qatar International Islamic Bank	9.70	5.90	46.70	14,683	16.8	2.5	4.1
Masraf Al Rayan	3.88	0.78	(6.91)	29,100	13.5	2.2	5.2
Al Khaliji Bank	1.24	0.00	7.45	4,464	7.6	0.8	6.0
Qatar First Bank	0.31	1.97	(23.77)	622	N/A	0.9	N/A
National Leasing	0.69	(1.29)	(21.73)	340	21.7	0.5	7.3
Diala Holding	0.62	(1.27)	(37.80)	177	N/A	0.9	N/A
Qatar & Oman Investment	0.59	9.28	10.30	186	69.3	0.6	5.1
Islamic Holding Group	1.98	(8.76)	(9.38)	112	210.4	0.8	N/A
Banking and Financial Services				301,841			
Zad Holding	13.97	0.87	34.33	2,010	15.5	2.2	6.1
Qatar German Co. for Medical Devices	0.58	(3.80)	2.83	67	N/A	2.1	N/A
Salam International Investment	0.46	8.33	5.08	520	N/A	0.5	N/A
Medicare Group	8.73	0.92	38.35	2,457	30.2	2.5	20.6
Qatar Cinema & Film Distribution	2.20	0.00	15.67	138	17.9	1.0	6.8
Qatar Fuel	22.90	2.05	37.96	22,768	18.9	2.8	3.5
Qatar Meat and Livestock	6.71	(1.76)	(4.14)	1,208	11.4	3.6	6.7
Mannai Corp.	3.10	(0.64)	(43.59)	1,414	5.3	0.6	6.5
Al Meera Consumer Goods	15.25	0.20	3.04	3,050	16.5	2.2	5.6
Consumer Goods and Services				33,633			
Qatar Industrial Manufacturing	3.40	1.49	(20.37)	1,616	14.3	1.0	7.4
Qatar National Cement	5.75	0.35	(3.36)	3,758	15.5	1.2	8.7
Industries Qatar	10.50	3.86	(21.41)	63,525	19.6	1.9	5.7
Qatari Investors Group	1.73	3.59	(37.79)	2,151	16.5	0.8	4.3
Qatar Electricity and Water	16.27	0.87	(12.05)	17,897	13.5	1.9	4.8
Aamal	0.78	6.85	(11.76)	4,914	13.5	0.6	7.7
Gulf International Services	1.79	0.56	5.29	3,327	N/A	0.9	N/A
Mesaieed Petrochemical Holding	2.60	0.00	72.99	32,664	38.2	2.2	3.1
Investment Holding Group	0.54	(0.19)	10.02	447	7.3	0.6	4.6
Qatar Aluminum Manufacturing	0.80	0.25	(39.78)	4,486	N/A	N/A	2.5
Industrials				134,784			
Qatar Insurance	3.08	0.33	(14.21)	10,060	17.2	1.2	4.9
Doha Insurance	1.08	(1.82)	(17.49)	540	8.3	0.5	7.4
Qatar General Insurance & Reinsurance	2.54	(4.87)	(43.40)	2,223	12.3	0.4	3.9
Al Khaleej Takaful Insurance	2.07	(3.27)	140.98	528	13.2	1.0	2.4
Qatar Islamic Insurance	6.84	0.00	27.35	1,026	15.6	2.8	5.1
Insurance				14,377			
United Development	1.46	3.55	(1.02)	5,170	13.8	0.5	6.8
Barwa Real Estate	3.46	1.47	(13.30)	13,464	8.6	0.7	7.2
Ezdan Real Estate	0.63	(0.16)	(51.31)	16,764	50.5	0.5	N/A
Mazaya Qatar Real Estate Development	0.74	3.77	(4.62)	861	N/A	0.7	6.7
Real Estate				36,258			
Ooredoo	7.34	5.76	(2.13)	23,511	13.6	1.0	3.4
Vodafone Qatar	1.19	(0.83)	(23.82)	5,030	33.6	1.1	4.2
Telecoms				28,542			
Qatar Navigation (Milaha)	6.11	(0.49)	(7.44)	6,997	13.0	0.5	4.9
Gulf Warehousing	5.14	(2.10)	33.61	301	16.0	1.7	3.7
Qatar Gas Transport (Nakilat)	2.51	(0.79)	39.99	13,906	14.5	2.2	4.0
Transportation				21,205			
Qatar Exchange				573,350			

Source: Bloomberg

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