

## Market Review and Outlook

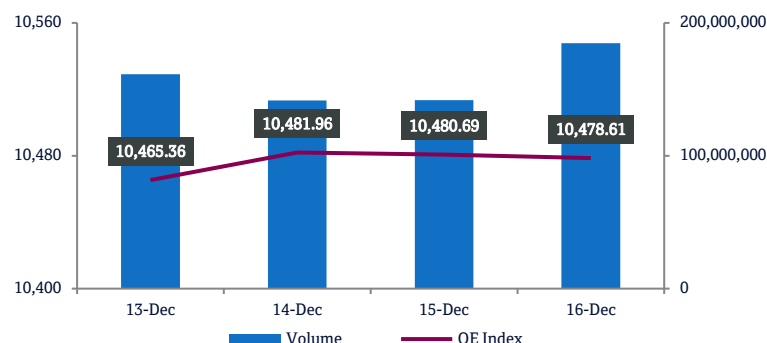
The Qatar Stock Exchange (QSE) Index gained 0.31% during the week, to close at 10,478.61. Market capitalization increased by 0.1% to reach QR603.8 billion (bn) as compared to QR603.1bn at the end of the previous week. Of the 47 listed companies, 16 companies ended the week higher, while 29 fell and 2 remained unchanged. Islamic Holding Group (INMA) was the best performing stock for the week, with a gain of 7.0%. On the other hand, Qatar Insurance Co. (QATI) was the worst performing stock with a decline of 5.9%.

Qatar Islamic Bank (QIBK), Industries Qatar (IQCD), and Commercial Bank of Qatar (CBQK) were the primary contributors to the weekly index gain. QIBK was the biggest contributor to the index's weekly increase, adding 28.5 points to the index. IQCD added another 27.4 points to the index. Further, CBQK tacked another 18.1 points.

Trading value during the week decreased by 33.8% to reach QR1862.6mn vs. QR2,815.1mn in the prior trading week. INMA was the top value traded stock during the week with total traded value of QR212.9mn.

Trading volume also decreased by 55.3% to reach 629.6mn shares vs. 1,409.6mn shares in the prior trading week. The number of transactions fell by 36.6% to reach 37,942 transactions versus 59,846 transactions in the prior week. Qatar First Bank (QFBQ) was also the top volume traded stock during the week with total traded volume of 77.7mn shares.

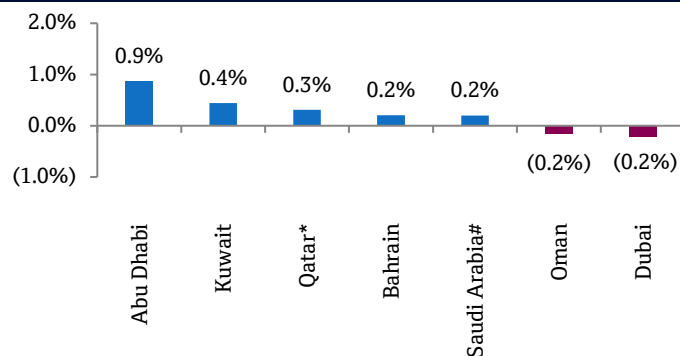
## QSE Index and Volume



Market Indicators	Week ended Dec 16, 2020	Week ended Dec 10, 2020	Chg. %
Value Traded (QR mn)	1,862.6	2,815.1	(33.8)
Exch. Market Cap. (QR mn)	603,820.4	603,127.6	0.1
Volume (mn)	629.6	1,409.6	(55.3)
Number of Transactions	37,942	59,846	(36.6)
Companies Traded	47	47	0.0
Market Breadth	16:29	27:19	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	20,144.77	0.3	2.1	5.0
ALL Share Index	3,208.32	0.1	1.9	3.5
Banks and Financial Services	4,260.81	0.2	2.2	1.0
Industrials	3,096.91	0.7	(0.4)	5.6
Transportation	3,329.64	(0.4)	4.0	30.3
Real Estate	1,945.37	(1.1)	7.3	24.3
Insurance	2,389.98	(4.0)	(3.0)	(12.6)
Telecoms	984.56	2.0	5.2	10.0
Consumer Goods & Services	8,250.10	0.4	1.3	(4.6)
Al Rayan Islamic Index	4,283.08	0.2	2.1	8.4

## 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*	10,478.61	0.3	2.1	0.5	504.31	163,454.2	17.8	1.5	3.8
Dubai	2,541.44	(0.2)	5.0	(8.1)	245.97	94,152.0	11.9	0.9	3.8
Abu Dhabi	5,153.89	0.9	3.8	1.5	444.69	199,735.7	21.4	1.5	4.7
Saudi Arabia#	8,659.37	0.2	(1.0)	3.2	13,826.35	2,446,957.3	34.8	2.1	2.3
Kuwait	5,584.34	0.4	2.3	(11.1)	456.82	103,677.2	35.0	1.4	3.5
Oman	3,601.27	(0.2)	(1.2)	(9.5)	13.68	16,330.2	10.8	0.7	7.0
Bahrain	1,493.41	0.2	1.1	(7.3)	10.74	22,845.8	14.5	1.0	4.5

Source: Bloomberg, country exchanges and Zawya (\*\* Trailing Twelve Months; \* Value traded (\$ mn) do not include special trades, if any; #Data as of December 15, 2020)

- **The Amir approves general budget for fiscal 2021** – Assuming a conservative \$40 a barrel oil price, Qatar on Thursday presented a QR34.6bn deficit budget for 2021 but hinted at tapping the domestic and global debt markets to cover the expected shortfall. The 2021 state budget, which was approved by His Highness the Amir Sheikh Tamim bin Hamad al-Thani, estimates revenue of QR160.1bn and expenditure of QR194.7bn, leaving a deficit of QR34.6bn. The Amir issued Law No. 22 of 2020 approving the state's general budget for the fiscal year 2021. The law is effective as of January 1, 2021 and shall be published in the official gazette. “This reflects a continued policy of conservative revenue estimation to maintain a fiscal balance and minimise the impact of the fluctuation in energy prices on the state budget,” Finance Minister, HE Ali Sherif al-Emadi said, reasoning for \$40 oil price in the budget. The 2021 revenue is estimated to be down 24.1% compared with 2020 budget, which was based on a \$55 price, said the Ministry of Finance in its explanatory note. The share of non-oil revenue in total revenue is estimated to be 24% but it is expected that some initiatives and programmes will contribute to increasing this share in the coming years. The allocation for major projects is at QR72.1bn, which includes those for new projects along with ongoing development works in various sectors and those related to hosting the 2022 World Cup. On the sectoral allocation, the budget earmarked QR42.2bn for the defence and security sector, which captures the largest share of 22% due to various projects, contracts, commitments and initiatives. The public finance is earmarked QR39.9bn (20.5%), which includes interest on loans, expenditure towards government support programmes and strategic foodstuff reserves, besides pension funds for civilians and military personnel and social security allocations. The municipality and environment sector allocation is QR25.4bn (13%) to further develop major infrastructure projects, provide water and electricity networks, besides continuing with the maintenance, development and expansion of roads. The education sector allocation stands at QR17.4bn (8.9%). Among the most important projects related to educational services are those for the expansion and development of existing schools and educational institutions. The total allocation for the health sector is QR16.5bn (8.5%). Among the most important projects in the field of healthcare development are the expansion of Hamad Medical Corporation facilities and the establishment of new primary care centres. The current expenditure allocation is at QR60.7bn, a 4.7% jump, due to the cost of operating newly completed projects and the continuation of World Cup projects and programmes. The minor capex or capital expenditure allocation is QR4bn compared to QR3.5bn in the 2020 budget. (Gulf-Times.com)
- **The 2021 budget showcase economic strength, says Qatar Chamber Chairman** – Qatar’s budget for 2021, approved by His Highness the Amir Sheikh Tamim bin Hamad al-Thani, confirms the resilience and durability of the national economy amid the impact of COVID-19 on the global economy, Qatar Chamber’s Chairman, Sheikh Khalifa bin Jassim Al-Thani has said. Sheikh Khalifa noted that the new budget allows huge spending on major projects, as well as on education and health, which affirms that these sectors are of special interest for His Highness the Amir. He also pointed out that the allocation of QR72.1bn for major projects, a 37% share of the total expenditures worth QR194.7bn, indicates the state’s continued efforts to complete the projects related to the 2022 FIFA World Cup in a timely manner. Citing that the budget estimated average oil prices of \$40 a barrel, Sheikh Khalifa assured that the budget supports Qatar’s plans to continue accomplishing sustainable development, and that it also reflects the sound financial plans adopted by the government in dealing with fluctuations in oil prices. Qatar Chamber’s General Manager, Saleh bin Hamad Al-Sharqi said the budget would enhance Qatar’s economic performance, which achieved positive progress despite the current circumstances related to the spread of COVID-19. Al-Sharqi lauded the allocation of QR16.5bn for the health sector, an 8.5% share of the total budget, which affirms how the state demonstrates its interest in developing health facilities for the welfare of both the nationals and residents. This also will ensure the establishment of more projects and expansion of medical and health facilities, he stressed. (Gulf-Times.com)
- **Qatar to cover 2020 deficit by funds available from previous debt issuances** – Qatar’s deficit in the fourth quarter of 2020 is expected to be almost twice that of the previous three quarters put together; but will be covered by the funds available to it from the previous debt issuances in the global financial market, according to the Ministry of Finance (MoF). The deficit in the first three quarters amounted to QR4.2bn. The deficit in the fourth quarter is expected to reach QR7.5bn. Overall, in 2020, the total expected deficit will reach QR11.7bn, the MoF said in an explanatory note presented along with the 2021 budget. These estimates are still preliminary, as the actual performance of the public budget will be reviewed with the final realisations being announced on the MoF website at a later date, it said. It was expected that the general budget for the fiscal year 2020 would achieve a surplus of about QR500mn, based on an average oil price of \$55 per barrel. “However, due to the negative implications of the COVID-19 pandemic and the decline in oil prices, a deficit of QR11.7bn is anticipated in 2020,” the note said. The deficit estimate is calculated taking into account the decline in revenue to QR170.5bn, a result of the drop in oil prices to a level lower than the budget estimate of \$55 per barrel, it said. Oil revenues are estimated to decline 21.4% YoY to QR132bn and non-oil earnings by 10.5% to QR38.5bn in 2020. The country has taken several measures to limit the effects of the COVID-19 pandemic and the decline on global energy prices on the public budget. “The ministry’s consolidation efforts resulted in a 13.4% reduction of the State’s budget expenditures to QR182.2bn,” it said, adding some allocations for secondary items have been rationalised within the salaries and wages expenditure, yielding a decrease of 2.5% from the declared expenditure. The MoF was able to maintain current expenditure at the approved budget level despite the increased spending requirements due to the COVID-19 pandemic, which was achieved by reducing spending on items that do not affect the operational capabilities of government agencies. Some non-

priority projects that are not contracted and are not related to hosting the 2022 World Cup have been postponed, while ongoing and committed priority projects continue, it said. (Gulf-Times.com)

- **Qatar identifies projects worth around QR54bn in medium term**

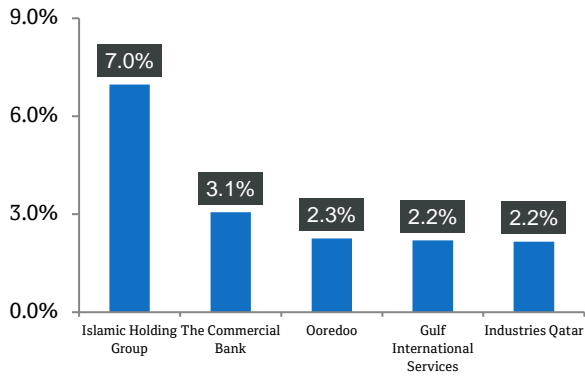
– Qatar has identified new projects valued at QR54bn in the medium term; even as the Ministry of Finance (MoF), in cooperation with the Public Works Authority (Ashghal), is working on implementing a strategic plan by linking targeted performance indicators for new projects. “In line with the strategy followed to prioritise public spending and in coordination with Ashghal, a list of new projects approved for the state, which represent QR53.9bn, has been identified. These will be awarded from 2021 to 2023,” the MoF said in its explanatory note presented along with the 2021 budget. The 2021 will see new projects valued at QR5.9bn; 2022 (QR9.1bn); 2023 (QR11.5bn); and 2024 and beyond (27.4bn). The Ashghal will see new projects of QR47.5bn, which includes QR35.2bn for development of existing areas and new citizens' lands; QR5.8bn for maintenance; QR4.9bn for drainage and estuaries; and QR1.6bn for roads and public place beautification projects. The first phase of citizens' land projects will see a total cost of QR16.5bn, distributed in 13 regions, and the second phase will see a total cost of QR20.5bn, distributed in 19 regions. The remaining QR6.4bn new projects (of QR53.9bn) will include QR2.2bn for projects belonging to the Ministry of Interior, foreign affairs and culture, the Museums Authority, the Communications Commission, Manateq, Healthcare and Customs; QR2.1bn for the Ministry of Municipality and Environment; QR1.1bn for Hamad Medical Corporation; and QR1bn for the Ministry of Transport and Communications. The planned projects include implementation and completion of the infrastructure in 6,165 plots in different regions to develop housing areas for nationals (Al Wukair South; Al Kheisa; South Simaisma); beautification projects of roads and beaches (West Bay; development of parks and footpaths for main roads, beautification of buildings' facade to host the World Cup); road development at existing locations in several regions (Umm Salal; Al Shafi Street); and development of drainage stations, water treatment plants, pumping and rainwater drainage networks in several regions to prevent flooding due to rain. (Gulf-Times.com)

- **MoF: Qatar's economy expected to recover in 2021 with GDP growth of 2.2%**

– Qatar's economy is expected to recover from the effects of the COVID-19 pandemic in 2021 with a GDP growth of 2.2%, according to economic indicators released as part of the 2021 Budget Statement by the Ministry of Finance (MoF) on Thursday. The spread of COVID-19 virus and the decline in energy prices is expected to result in a decrease of 2.6% in real GDP in 2020, the ministry said citing PSA estimates. The most prominent projects that will drive economic recovery are infrastructure projects, road networks, financing housing projects for nationals, and projects for developing public services such as healthcare and education. (Qatar Tribune)

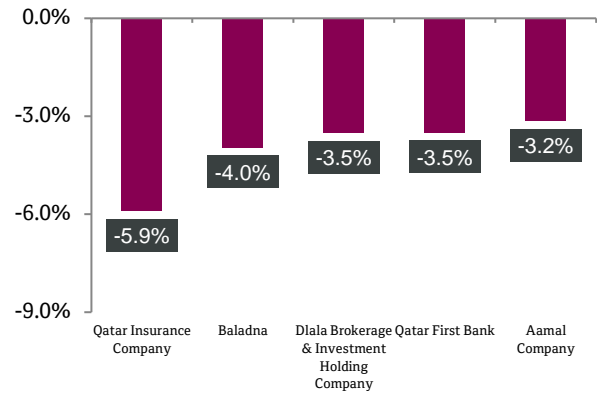
# Qatar Stock Exchange

## Top Gainers



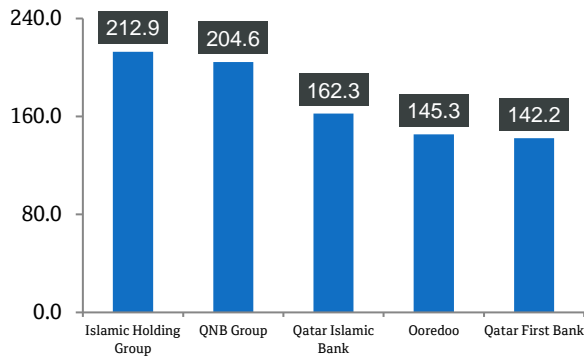
Source: Qatar Stock Exchange (QSE)

## Top Decliners



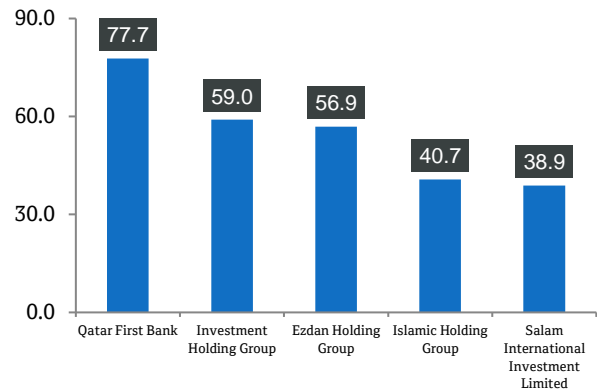
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Value (QR Million)



Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Volume (Million)



Source: Qatar Stock Exchange (QSE)

## TECHNICAL ANALYSIS OF THE QSE INDEX



Source: Bloomberg

The Index closed slightly up by 0.31% from the previous week and printed last at 10,478.61 points. The Index is expected to correct on the uptrend after reaching the upper side of the uptrend channel. We remain positive on the Index as the trend remains bullish and strong. Our support level remains at the 9,800 level and the resistance at 10,500 level on the weekly chart.

### 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 16	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	17.95	(0.77)	(12.82)	165,794	15.2	2.3	3.3
Qatar Islamic Bank	17.35	2.06	13.18	40,997	14.5	2.3	3.0
Commercial Bank of Qatar	4.38	3.06	(6.81)	17,727	12.2	1.0	4.6
Doha Bank	2.38	(1.16)	(5.93)	7,379	15.0	0.8	N/A
Al Ahli Bank	3.35	(0.83)	0.50	8,139	12.9	1.3	4.3
Qatar International Islamic Bank	9.15	1.33	(5.48)	13,850	15.7	2.3	4.6
Masraf Al Rayan	4.42	(0.56)	11.62	33,150	15.1	2.4	5.1
Al Khaliji Bank	1.85	(0.59)	41.15	6,656	10.5	1.1	4.1
Qatar First Bank	1.74	(3.50)	112.22	1,215	N/A	2.6	N/A
National Leasing	1.25	(0.79)	77.16	618	32.8	0.9	4.0
Dlala Holding	1.90	(3.50)	210.97	540	N/A	2.7	N/A
Qatar & Oman Investment	0.88	(2.11)	31.84	278	22.0	0.9	2.3
Islamic Holding Group	5.25	6.97	176.32	297	54.1	2.1	N/A
<b>Banking and Financial Services</b>				<b>296,641</b>			
Zad Holding	15.00	0.00	8.54	3,555	17.6	2.5	5.7
Qatar German Co. for Medical Devices	2.13	(2.48)	265.29	246	N/A	8.2	N/A
Salam International Investment	0.64	(3.05)	23.02	727	N/A	0.5	N/A
Baladna	1.82	(3.96)	81.80	3,456	N/A	1.6	1.2
Medicare Group	9.15	0.02	8.28	2,575	31.4	2.6	19.7
Qatar Cinema & Film Distribution	3.85	0.00	75.05	242	55.2	0.2	2.6
Qatar Fuel	19.08	2.03	(16.68)	18,970	24.4	2.3	4.2
Qatar Meat and Livestock	6.15	(0.77)	(9.01)	1,107	12.9	2.7	4.9
Mannai Corp.	3.00	1.39	(2.60)	1,369	N/A	0.7	6.7
Al Meera Consumer Goods	20.60	(1.90)	34.64	4,120	20.3	2.8	4.1
<b>Consumer Goods and Services</b>				<b>36,367</b>			
Qatar Industrial Manufacturing	3.25	1.62	(8.91)	1,545	19.3	1.0	4.6
Qatar National Cement	4.08	0.57	(27.82)	2,665	22.0	0.9	7.4
Industries Qatar	10.87	2.16	5.74	65,764	44.8	2.0	3.7
Qatari Investors Group	1.80	(2.70)	0.61	2,239	28.7	0.8	3.1
Qatar Electricity and Water	18.10	(1.42)	12.49	19,910	13.3	2.1	4.3
Aamal	0.86	(3.15)	5.78	5,418	34.9	0.7	4.7
Gulf International Services	1.58	2.20	(8.26)	2,933	50.2	0.8	N/A
Mesaieed Petrochemical Holding	2.04	(0.78)	(18.57)	25,679	24.8	1.6	3.4
Invesment Holding Group	0.60	(0.49)	7.09	501	10.5	0.6	N/A
Qatar Aluminum Manufacturing	0.99	(0.50)	26.76	5,524	N/A	1.0	1.0
<b>Industrials</b>				<b>132,178</b>			
Qatar Insurance	2.43	(5.89)	(23.20)	7,927	N/A	1.0	6.2
Doha Insurance	1.37	(0.15)	14.08	685	12.7	0.6	5.8
Qatar General Insurance & Reinsurance	2.39	(0.33)	(2.85)	2,091	N/A	0.4	N/A
Al Khaleej Takaful Insurance	1.92	0.10	(3.90)	491	16.6	0.9	2.6
Qatar Islamic Insurance	6.75	0.75	1.05	1,013	14.1	2.8	5.6
<b>Insurance</b>				<b>12,206</b>			
United Development	1.68	(2.78)	10.53	5,949	29.6	0.5	3.0
Barwa Real Estate	3.42	(0.23)	(3.45)	13,300	9.4	0.7	5.9
Ezdan Real Estate	1.80	0.56	192.68	47,745	N/A	1.5	N/A
Mazaya Qatar Real Estate Development	1.24	(1.04)	72.60	1,437	48.1	0.1	N/A
<b>Real Estate</b>				<b>68,430</b>			
Ooredoo	7.26	2.25	2.54	23,255	12.2	1.0	3.4
Vodafone Qatar	1.34	1.13	15.52	5,664	35.3	1.3	3.7
<b>Telecoms</b>				<b>28,919</b>			
Qatar Navigation (Milaha)	7.04	(0.42)	15.39	8,061	15.6	0.6	4.3
Gulf Warehousing	5.14	(0.85)	(6.24)	301	12.7	1.6	3.9
Qatar Gas Transport (Nakilat)	3.25	(0.31)	35.98	18,006	15.4	3.0	3.1
<b>Transportation</b>				<b>26,368</b>			
<b>Qatar Exchange</b>				<b>601,110</b>			

Source: Bloomberg

## Contacts

### **Saugata Sarkar, CFA, CAIA**

Head of Research

Tel: (+974) 4476 6534

[saugata.sarkar@qnbfs.com.qa](mailto:saugata.sarkar@qnbfs.com.qa)

### **Mehmet Aksoy, PhD**

Senior Research Analyst

Tel: (+974) 4476 6589

[mehmet.aksoy@qnbfs.com.qa](mailto:mehmet.aksoy@qnbfs.com.qa)

### **Shahan Keushgerian**

Senior Research Analyst

Tel: (+974) 4476 6509

[shahan.keushgerian@qnbfs.com.qa](mailto: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](mailto:zaid.alnafoosi@qnbfs.com.qa)

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