

## Market Review and Outlook

The Qatar Stock Exchange (QSE) Index decreased by 67.34 points, or 0.64% during the week, to close at 10,444.36. Market capitalization declined by 0.7% to reach QR581.4 billion (bn) as compared to QR585.4bn at the end of the previous week. Of the 47 listed companies, 11 companies ended the week higher, while 31 fell and 5 remained unchanged. Doha Bank (DHBK) was the best performing stock for the week, with a gain of 3.0% on 18 million (mn) shares traded. On the other hand, Qatar First Bank (QFBQ) was the worst performing stock with a decline of 9.9% on 25.7mn shares traded.

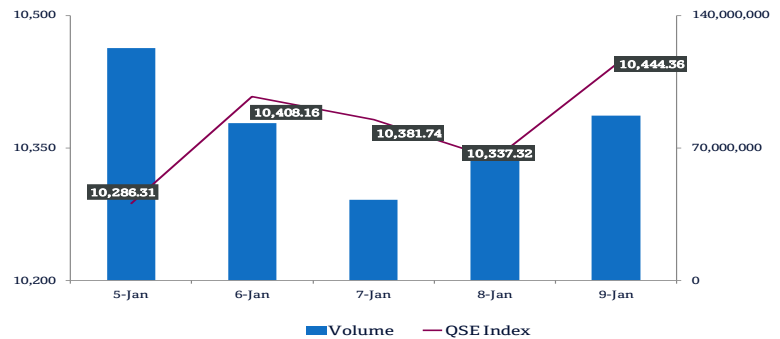
Mesaieed Petrochemical Holding Co. (MPHC), Qatar International Islamic Bank (QIIB) and Woqod (QFLS) were the primary contributors to the weekly index loss. MPHC was the biggest contributor to the index's weekly decline, removing 30.3 points from the index. QIIB was the second biggest contributor to the mentioned loss, erasing 20.1 points from the index. Moreover, QFLS deleted 16.9 points from the index.

Trading value during the week increased by 2.8% to reach QR1,186.1mn vs. QR1,153.6mn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 51.1% of the total trading value. Consumer Goods & Services sector was the second biggest contributor to the overall trading value, accounting for 14.6% of the total trading value. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR243.8mn.

Trading volume increased by 41.4% to reach 403.4mn shares vs. 285.3mn shares in the prior week. The number of transactions increased by 79.1% to reach 30,104 transactions versus 16,812 transactions in the prior week. Banks & Financial Services sector led the trading volume, accounting for 30.9%, followed by the Real Estate sector comprising 19.6% of the overall trading volume. Ezdan Holding Group (ERES) was the top volume traded stock during the week with total traded volume of 45.6mn shares.

Foreign institutions ended the week with net buying of QR151.6mn vs. net buying of QR21.2mn in the prior week. Qatari institutions turned positive with net buying of QR12.8mn vs. net selling of QR8.6mn in the week before. Foreign retail investors remained negative with net selling of QR26.0mn vs. net selling of QR0.6mn in the prior week. Qatari retail investors remained bearish with net selling of QR138.3mn vs. net selling of QR11.9mn the week before. Foreign institutions have bought (net basis) ~\$30.7mn worth of Qatari equities in so far in 2020.

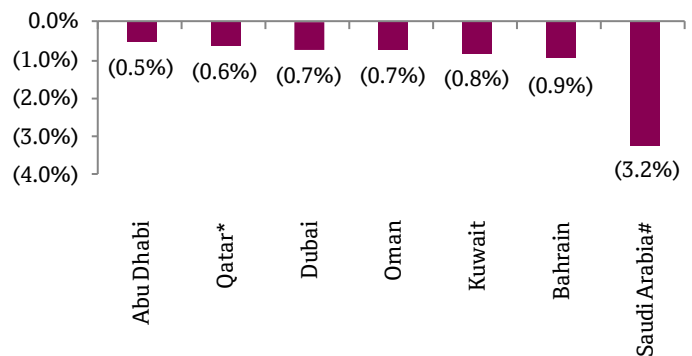
## QSE Index and Volume



Market Indicators	Week ended Jan 09, 2020	Week ended Jan 02, 2020	Chg. %
Value Traded (QR mn)	1,186.1	1,153.6	2.8
Exch. Market Cap. (QR mn)	581,419.7	585,366.4	(0.7)
Volume (mn)	403.4	285.3	41.4
Number of Transactions	30,104	16,812	79.1
Companies Traded	46	47	(2.1)
Market Breadth	11:31	24:21	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	19,218.51	(0.6)	0.2	0.2
ALL Share Index	3,101.20	(0.6)	0.1	0.1
Banks and Financial Services	4,264.59	0.1	1.0	1.0
Industrials	2,897.56	(1.1)	(1.2)	(1.2)
Transportation	2,514.65	(2.2)	(1.6)	(1.6)
Real Estate	1,555.64	(0.5)	(0.6)	(0.6)
Insurance	2,721.75	(1.0)	(0.5)	(0.5)
Telecoms	881.00	(2.9)	(1.6)	(1.6)
Consumer Goods & Services	8,516.10	(2.0)	(1.5)	(1.5)
Al Rayan Islamic Index	3,915.89	(1.2)	(0.9)	(0.9)

## 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*	10,444.36	(0.6)	0.2	0.2	703.19	158,669.4	15.2	1.5	4.1
Dubai	2,749.26	(0.7)	(0.6)	(0.6)	219.28	101,727.8	10.9	1.0	4.3
Abu Dhabi	5,075.69	(0.5)	(0.0)	(0.0)	157.30	140,375.6	15.5	1.4	4.9
Saudi Arabia#	8,124.11	(3.2)	(3.2)	(3.2)	5,198.14	2,332,544.9	21.8	1.8	3.3
Kuwait	6,230.23	(0.8)	(0.8)	(0.8)	957.35	114,741.7	15.3	1.5	3.4
Oman	3,977.16	(0.7)	(0.1)	(0.1)	11.24	17,126.9	7.5	0.7	7.5
Bahrain	1,597.33	(0.9)	(0.8)	(0.8)	16.26	24,793.3	12.7	1.0	4.9

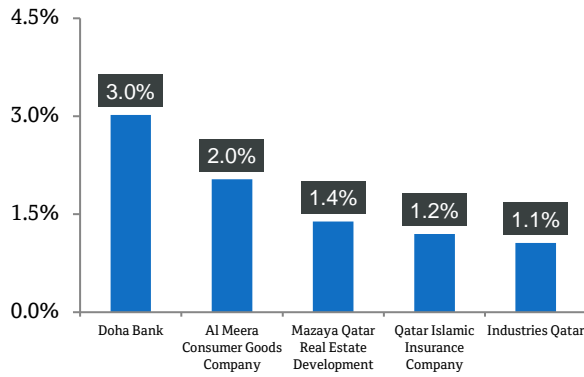
Source: Bloomberg, country exchanges and Zawya (\*\* Trailing Twelve Months; \* Value traded (\$ mn) do not include special trades, if any; # Data as of January 08, 2020)

### Economic News/Market & Corporate News

- KCBK to hold board meeting on January 20 to discuss financial statements; conference call will be held on January 22** – Al Khalij Commercial Bank (KCBK) announced that the board of directors will hold its meeting on January 20, 2020 to discuss and approve the consolidated financial statements for the period ended December 31, 2019. A conference call will also take place on January 22, 2020 through QNB FS to discuss EOY results with the investors. (QSE)
- CBQK to hold board meeting on January 29 to discuss the financial statements; conference call will be held on January 30** – The Commercial Bank (CBQK) announced that the board of directors will hold its meeting on January 29, 2020 to discuss and approve the consolidated financial statements for the period ended December 31, 2019. A conference call will also take place on January 30, 2020. (QSE)
- QIIK to hold board meeting on January 28 to discuss the financial statements** – Qatar International Islamic Bank (QIIK) announced that its board of directors will meet on January 28, 2020 to discuss financial statements for the period ended December 31, 2019. (QSE)
- OBG: Qatar's Islamic financial services sector growth prospects closely tied to country's economic expansion** – Growth prospects of Qatar's Islamic financial services (IFS) sector are closely tied to the continued expansion of the country's economy, which is expected to remain buoyant as its natural gas exports persist, a new report has showed. The continued expansion of the GCC's Shari'ah-compliant assets is being driven by a number of ongoing regional developments, including the 2022 FIFA World Cup, which is hosted by Qatar, and the stabilization of energy prices, Oxford Business Group (OBG) has stated in a report. The Islamic finance industry has been an important component of the nation's financial system since the early 1980s, when the first Shari'ah-compliant bank opened its doors for business, OBG stated in its 2019 report. Islamic financial services have been growing at a strong pace over recent years, with Shari'ah-compliant assets expanding at a compound annual growth rate (CAGR) of 11% between 2012 and 2017, outpacing their conventional counterparts. (Gulf-Times.com)
- Ezdan: Huge public spending to boost real estate growth** – The huge public expenditure on major infrastructure projects and other key sectors such as education and health, as part of the 2020 national budget will support the robust growth of the Qatari economy, including the real estate sector, noted a report by Ezdan Real Estate Company (Ezdan). The monthly report issued by Market Research and Reports Department of Ezdan Real Estate Company depicted the positive indicators made in recently issued reports by international organizations, such as the World Bank, regarding the growth projection on Qatari economy. They projected a growth rate of 3% for the Qatari economy for 2020, which indicates an accompanying growth in the real estate sector, being one of the most vital sectors of the local economy. Such indicators are supported by the 2020 annual budget with a projected QR211bn in revenue and QR210.5bn expenditure, which is 1.9% higher compared to 2019. The report also stressed about the importance of laws regulating and promoting Qatar's tourism sector. As a result of concerted efforts on the part of National Tourism Council and other entities, there is influx of tourists estimated at around millions of visitors each year. This, in turn, will further boost the real estate sector across all segments including residential, hotel or commercial properties. The monthly report also noted that QR90bn expenditure on major projects (accounting for nearly 43% of total expenses) under the national budget 2020 will strongly support for the real east sector growth. (Peninsula Qatar)
- QCB: Public sector drives local currency deposits expansion in Qatar banks** – The local currency time and savings (T&S) deposits of the public sector has considerably outpaced the total deposits expansion in Qatar's banking industry during November 2019, according to the central bank data. The public sector T&S deposits' growth was mainly on account of the local currency (T&S) deposits of the sovereign and government institutions during the review period, according to figures released by the Qatar Central Bank (QCB). Total (public, private and non-resident) deposits in the country's commercial banks otherwise witnessed an about 5% YoY rise to QR830.46bn during November. The public sector's total deposits shrank 4% YoY to QR260.2bn, mainly dragged by foreign currency T&S deposits during the review period. The public sector's local currency T&S deposits soared 67% YoY to QR141.57bn, which constituted more than 54% of the total deposits of the public sector during November 2019. The local currency T&S deposits of government institutions almost doubled YoY to QR75.03bn and those of the sovereign shot up 65% to QR51.16bn; while those of the semi-government institutions fell 5% to QR15.37bn during the review period. On the other hand, the local currency demand deposits of public sector were down by a marginal 0.35% to QR28.17bn in the review period. Such deposits of sovereign and semi-government institutions declined 23% and 36% YoY to QR5bn and QR2.22bn respectively; whereas those of government institutions were seen gaining 14% to QR20.95bn during November 2019. The public sector foreign currency demand deposits registered an impressive 71% YoY surge to QR18.33bn; whereas foreign currency T&S deposits plummeted 51% to QR72.13bn during the review period. The foreign currency deposits of the sovereign reported 51% decline YoY to QR20.02bn, those of government institutions by 43% to QR61.36bn and those of semi-government institutions by 19% to QR9.07bn during November last year. (Gulf-Times.com)

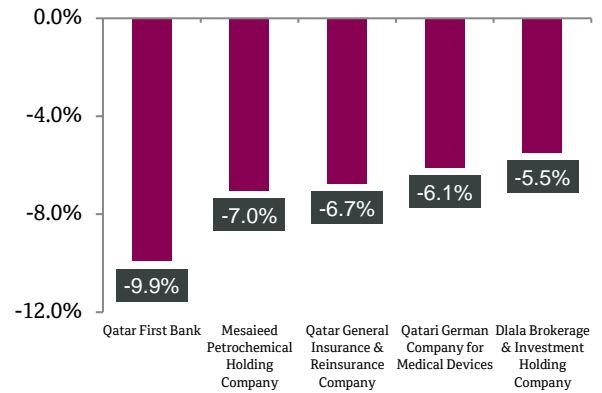
# Qatar Stock Exchange

## Top Gainers



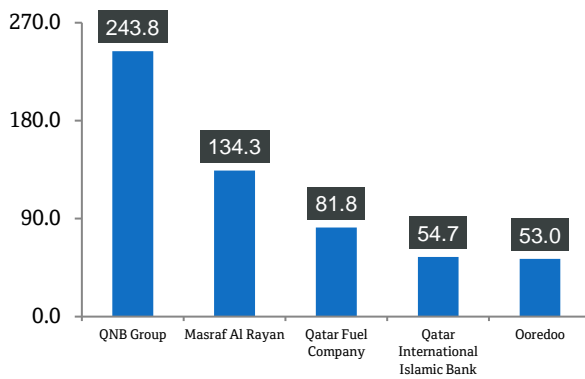
Source: Qatar Stock Exchange (QSE)

## Top Decliners



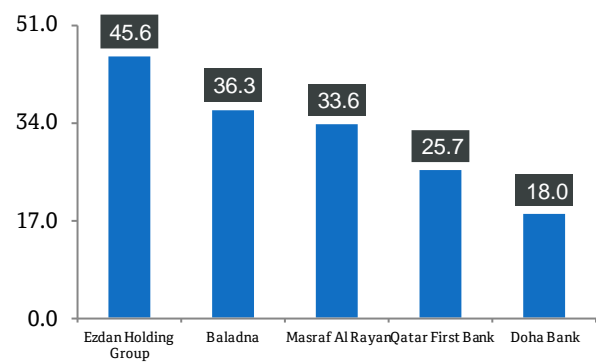
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Value (QR Million)



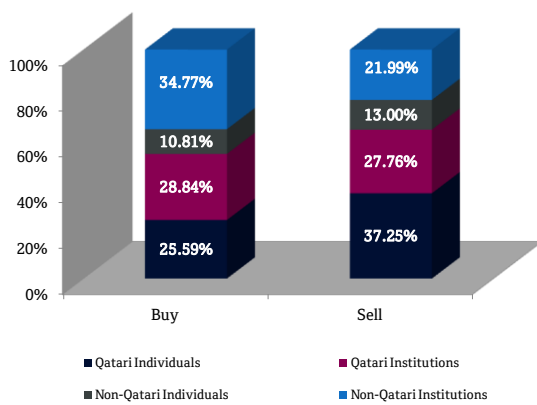
Source: Qatar Stock Exchange (QSE)

## Most Active Shares by Volume (Million)



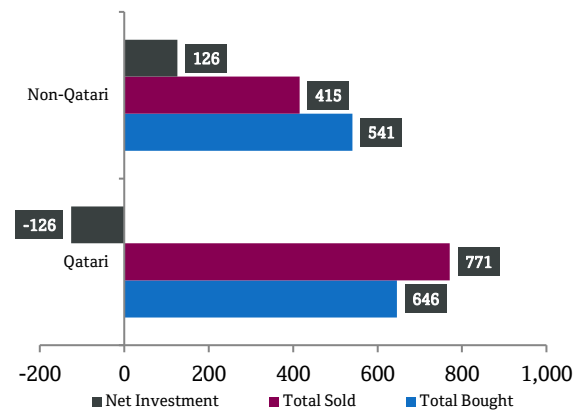
Source: Qatar Stock Exchange (QSE)

## 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 down by 0.64% from the week before, and closed at the 10,444.36 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 January 09	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	20.69	0.53	0.49	191,102	14.8	2.7	2.9
Qatar Islamic Bank	15.39	(0.52)	0.39	36,366	13.3	2.2	3.2
Commercial Bank of Qatar	4.88	0.62	3.83	19,751	12.0	1.1	3.1
Doha Bank	2.73	3.02	7.91	8,464	12.0	0.9	3.7
Al Ahli Bank	3.50	0.00	0.00	8,099	12.0	1.4	2.6
Qatar International Islamic Bank	9.33	(3.91)	(3.62)	14,123	16.2	2.4	4.3
Masraf Al Rayan	4.09	0.49	3.28	30,675	14.2	2.3	4.9
Al Khaliji Bank	1.33	0.76	1.53	4,788	8.2	0.8	5.6
Qatar First Bank	0.73	(9.90)	(11.00)	510	N/A	0.7	N/A
National Leasing	0.69	(0.14)	(2.27)	341	21.7	0.5	7.3
Dlala Holding	0.57	(5.48)	(6.87)	162	N/A	0.8	N/A
Qatar & Oman Investment	0.65	(4.02)	(3.59)	203	75.9	0.7	4.7
Islamic Holding Group	1.89	(3.08)	(0.53)	107	200.9	0.8	N/A
<b>Banking and Financial Services</b>				<b>314,689</b>			
Zad Holding	13.86	(1.77)	0.29	3,285	15.4	2.2	6.1
Qatar German Co. for Medical Devices	0.54	(6.10)	(7.39)	62	N/A	1.9	N/A
Salam International Investment	0.50	(3.67)	(3.48)	570	N/A	0.5	N/A
Baladna	1.00	0.00	0.00	1,901	N/A	N/A	N/A
Medicare Group	8.19	(3.08)	(3.08)	2,305	28.4	2.3	22.0
Qatar Cinema & Film Distribution	2.20	0.00	0.00	138	17.9	1.0	6.8
Qatar Fuel	22.50	(2.17)	(1.75)	22,371	18.6	2.7	3.6
Qatar Meat and Livestock	6.53	(4.67)	(3.40)	1,175	11.1	3.5	6.9
Mannai Corp.	3.07	(1.29)	(0.32)	1,401	5.2	0.6	6.5
Al Meera Consumer Goods	15.55	2.03	1.63	3,110	16.8	2.3	5.5
<b>Consumer Goods and Services</b>				<b>36,318</b>			
Qatar Industrial Manufacturing	3.43	(2.28)	(3.92)	1,630	14.5	1.0	7.3
Qatar National Cement	5.46	(2.33)	(3.36)	3,568	14.7	1.2	9.2
Industries Qatar	10.50	1.06	2.14	63,525	19.6	1.9	5.7
Qatari Investors Group	1.72	(3.91)	(3.91)	2,138	16.4	0.8	4.4
Qatar Electricity and Water	16.15	0.06	0.37	17,765	13.4	1.9	4.8
Aamal	0.80	(2.55)	(1.48)	5,046	13.8	0.6	7.5
Gulf International Services	1.69	(2.87)	(1.74)	3,141	N/A	0.9	N/A
Mesaieed Petrochemical Holding	2.25	(7.02)	(10.36)	28,267	33.1	1.9	3.6
Investment Holding Group	0.55	(1.60)	(2.13)	458	7.5	0.6	4.5
Qatar Aluminum Manufacturing	0.78	0.00	(0.51)	4,336	N/A	N/A	2.6
<b>Industrials</b>				<b>129,875</b>			
Qatar Insurance	3.18	0.00	0.63	10,386	17.7	1.3	4.7
Doha Insurance	1.13	(1.74)	(5.83)	565	8.7	0.5	7.1
Qatar General Insurance & Reinsurance	2.35	(6.75)	(4.47)	2,056	11.4	0.3	4.3
Al Khaleej Takaful Insurance	1.90	(3.06)	(5.00)	485	12.1	0.9	2.6
Qatar Islamic Insurance	6.75	1.20	1.05	1,013	15.4	2.8	5.2
<b>Insurance</b>				<b>14,505</b>			
United Development	1.50	(1.32)	(1.32)	5,311	14.2	0.5	6.7
Barwa Real Estate	3.54	0.28	0.00	13,775	8.8	0.7	7.1
Ezdan Real Estate	0.60	(3.39)	(2.76)	15,862	47.8	0.5	N/A
Mazaya Qatar Real Estate Development	0.73	1.39	1.67	846	N/A	0.7	6.8
<b>Real Estate</b>				<b>35,794</b>			
Ooredoo	7.01	(2.77)	(0.99)	22,454	13.0	1.0	3.6
Vodafone Qatar	1.12	(3.45)	(3.45)	4,734	31.7	1.1	4.5
<b>Telecoms</b>				<b>27,189</b>			
Qatar Navigation (Milaha)	6.02	(1.15)	(1.31)	6,894	12.8	0.5	5.0
Gulf Warehousing	5.35	(2.73)	(2.37)	314	16.6	1.8	3.6
Qatar Gas Transport (Nakilat)	2.35	(2.89)	(1.67)	13,020	13.6	2.0	4.3
<b>Transportation</b>				<b>20,228</b>			
<b>Qatar Exchange</b>				<b>581,420</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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