

Market Review and Outlook

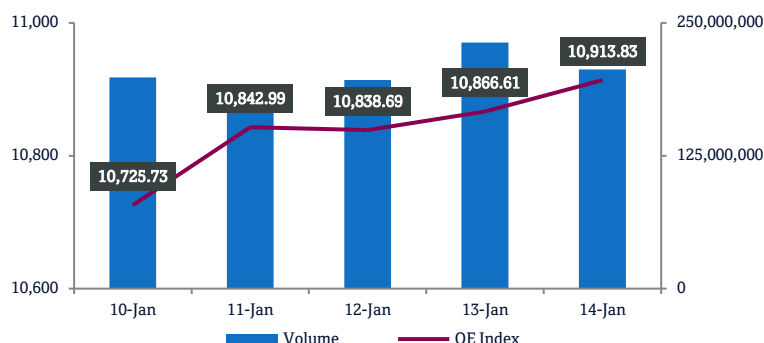
The Qatar Stock Exchange (QSE) Index gained 2.21% during the second week of January 2021, closing at 10,913.83. Market capitalization increased by 1.5% to reach QR628.2 billion (bn) as compared to QR618.7bn at the end of the previous week. Of the 48 listed companies, 30 companies ended the week higher, while 15 fell and 3 remained unchanged. Milaha (QNNS) was the best performing stock for the week, with a gain of 8.8%. On the other hand, Ezdan Holding Group (ERES) was the worst performing stock with a decline of 5.9%.

Industries Qatar (IQCD), Ooredoo (ORDS), and Milaha (QNNS) were the primary contributors to the weekly index gains. IQCD was the biggest contributor to the index's weekly increase, adding 103.6 points to the index. ORDS contributed 30.7 points to the index. Further, QNNS tacked on 27.9 points.

Trading value during the week increased by 49.6% to reach QR2,920.4mn vs. QR1,952.3mn in the prior trading week. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR385.6mn.

Trading volume also increased by 18.1% to reach 1,071.3mn shares vs. 907.1mn shares in the prior trading week. The number of transactions increased by 48.9% to reach 57,869 transactions versus 38,865 transactions in the prior week. Investment Holding Group (IGRD) was the top volume traded stock during the week with total traded volume of 125.5mn shares.

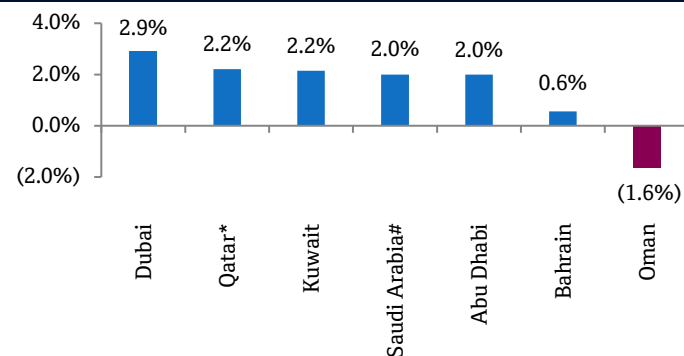
QSE Index and Volume



Market Indicators	Week ended Jan 14, 2021	Week ended Jan 07, 2020	Chg. %
Value Traded (QR mn)	2,920.4	1,952.3	49.6
Exch. Market Cap. (QR mn)	628,214.0	618,719.9	1.5
Volume (mn)	1,071.3	907.1	18.1
Number of Transactions	57,869	38,865	48.9
Companies Traded	48	47	2.1
Market Breadth	30:15	31:15	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	20,981.48	2.2	4.6	4.6
ALL Share Index	3,341.23	1.7	4.4	4.4
Banks and Financial Services	4,398.92	0.2	3.6	3.6
Industrials	3,296.13	3.9	6.4	6.4
Transportation	3,599.14	6.6	9.2	9.2
Real Estate	1,926.71	1.0	(0.1)	(0.1)
Insurance	2,557.75	3.1	6.8	6.8
Telecoms	1,122.20	7.3	11.0	11.0
Consumer Goods & Services	8,252.50	0.7	1.4	1.4
Al Rayan Islamic Index	4,398.25	1.5	3.0	3.0

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*	10,913.83	2.2	4.6	4.6	797.89	171,942.2	18.5	1.6	3.6
Dubai	2,702.34	2.9	8.4	8.4	514.41	97,598.7	12.8	0.9	3.6
Abu Dhabi	5,266.72	2.0	4.4	4.4	654.60	205,040.5	20.9	1.5	4.6
Saudi Arabia#	8,914.29	2.0	2.6	2.6	12,187.79	2,453,825.5	35.7	2.1	2.4
Kuwait	5,656.28	2.2	2.0	2.0	749.62	105,645.9	36.1	1.4	3.5
Oman	3,638.84	(1.6)	(0.5)	(0.5)	13.69	16,521.6	10.9	0.7	6.9
Bahrain	1,459.44	0.6	(2.0)	(2.0)	18.61	22,146.5	14.2	1.0	4.6

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; # Data as of January 13, 2021)

- **Qatar's CPI edges up in December** – Qatar's Consumer Price Index (CPI) witnessed a marginal increase of 0.02% in December compared to previous month (November 2020), reaching at 95.93 points. When compared on annual basis, the consumer prices in Qatar (as per the general CPI index) in December have decreased by 3.37% compared to the CPI of the same month in 2019, latest data released by the Planning and Statistics Authority (PSA) show. The groups of "Food and Beverages", "Housing, Water, Electricity and other Fuel", "Transport", and "Recreation and Culture" are still considered as the most important to consumer families. A MoM analysis of the CPI for December 2020 compared with the CPI of November 2020, showed that there were five main groups, where respective indices during this month have increased, namely: "Recreation and Culture" by 3.31%, followed by "Education" by 0.68%. "Transport" and "Miscellaneous Goods and Services" by 0.53% each, and "Furniture and Household Equipment" by 0.08%. A comparison of the CPI, December 2020 with the CPI, December 2019 (annual change), showed that a decrease has been recorded in the general index (CPI), by 3.37%. This YoY price decrease primary due to the prices decline in four groups namely: "Recreation and Culture" by 21.61%, "Clothing and Footwear" by 6.77%, "Housing, Water, Electricity and other Fuel" by 5.56%, and "Food and Beverages" by 0.62%. (Peninsula Qatar)
- **FocusEconomics: Qatar's economy to expand in 2021** – Qatar's economy is set to expand in 2021 on stronger domestic and foreign demand, FocusEconomics has said in its latest report. Easing tensions with Gulf neighbors should also provide support, the report said. Qatar's economy appears to have recovered strongly in the third quarter of 2020 following second quarter's sharp contraction with the non-energy private sector Purchasing Managers' Index (PMI) averaging markedly higher amid the progressive lifting of lockdown restrictions, it said. However, the report said, the oil and gas subsector contracted in annual terms throughout the period. Turning to the fourth quarter, the report said, available signs are fairly positive. The PMI remained above its historical average despite dipping somewhat from the third quarter, while the energy sector expanded in October. "On the fiscal front, the government announced the 2021 budget in December, which sees a slight decline in revenue on a highly conservative oil price of \$40 per barrel, and expenditure down 7.5% from the 2020 budget to QR195bn," the report said. FocusEconomics panelists see a 2.8% rise in GDP in 2021, which is unchanged from last month's forecast, before growth of 3.7% in 2022. Consumer prices fell 2.9% in November in annual terms, down from the 2.4% decline in October. Prices are seen rising this year as activity recovers and thanks to a supportive base effect. "Our panelists see consumer prices rising 1% in 2021, which is unchanged from last month's forecast. In 2022, our panel sees inflation averaging 1.9%," the report said. (Qatar Tribune)
- **With the listing of QLM, the number of listed companies on QSE reaches to 48** – The shares of QLM Life & Medical Insurance Company (QLM) were admitted to trading in Qatar Stock

Exchange (QSE), bringing the number of companies listed on the market to 48 Qatari public shareholding companies. The admission of QLM's shares to trading was celebrated by ringing the opening bell at QSE's trading hall. QLM was established on April 30, 2018 with an authorized capital of QR350mn, which is 100% paid in full. The company's main objective is to carry out life and medical insurance and reinsurance activities under its license issued by the Qatar Central Bank, and any additional insurance activities, which may be licensed to the Company in the future. In carrying out its core objective, the company shall be authorized in its Articles of Association to carry out any other activities that do not contradict to its main activities. The shares of QLM was listed with the code "QLMI" in the Insurance sector. The opening price on the first day of trading was QR3.30 and the closing price was QR3.90 with an increase percentage of 23.8%. (QSE)

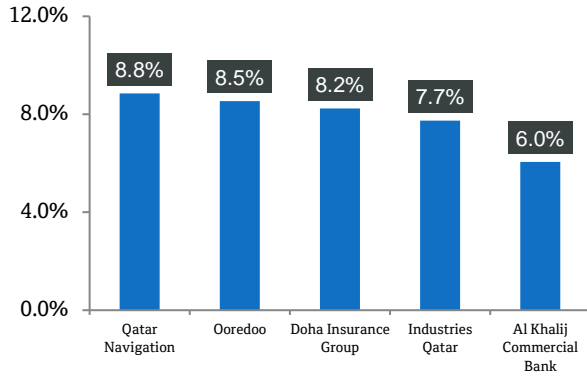
- **Qatar's first IPO since 2019 sees shares in QLMI soar 24%** – The shares of QLM Life & Medical Insurance Company (QLMI) jumped as they debuted on Qatar's stock exchange, as the restoration of ties between the nation and its Gulf neighbors cleared the way for businesses to expand outside of their home market. The stock soared 24% to QR3.90 by the close after the first initial public offering on the Doha-based bourse since 2019. Qatar Insurance Co, which will retain a 25% stake in QLM after raising QR659mn from the sale, finished 0.2% lower while the main equities index in Qatar ended slightly higher. Qatar Insurance Co (QATI), the Middle East and North Africa's largest insurer by market capitalization, is planning to channel the proceeds to expand its main property and casualty unit as well as other business lines, QATI's Chief Investment Officer, Chirag Doshi said in an interview with Bloomberg TV. The income will also help boost QATI's capital position and the liquidity generated from QLMI's stake sale will be invested in very liquid high quality bonds, he said. QLMI, which counts the government pension fund as an anchor investor, gets close to 80% of its revenue from Qatar and the rest from Oman, Kuwait and the UAE. The listing was the first in Qatar since the debut of dairy producer Baladna at the end of 2019 and was the country's first IPO conducted completely online. (Peninsula Qatar, Gulf-Times.com)
- **QSE Venture Market expected to be up and running this year, says official** – The junior bourse of the Qatar Stock Exchange (QSE) for small and medium enterprises (SMEs), Venture Market (VM), is expected to be up and running soon this year, according to its top official. "The junior bourse will be established soon. We have got approval for two companies," QSE listing Director Abdulaziz Al-Emadi told reporters on the sidelines of the listing of QLM Life and Medical Insurance Company. Highlighting the need for the ecosystem for empowering listing of SMEs on the QSE, he said the QSE has a good list of potential companies and they are planning to come to the market. It is understood that the QSE is presently working with a shortlist of companies that have appointed advisers and expect such companies, subject to the approval of the regulators, to form its launch candidates in the coming days. The recently released Qatar Capital Market 2020 report,

prepared by the Qatar Financial Center, had said the VM serves as a dedicated stock exchange for SME listings, which, despite possessing possibly shorter track records and higher risk profiles, allows them to access funding through the equity capital market. (Gulf-Times.com)

- **MRDS acquires four residential buildings in Al Sadd for QR150mn** – Mazaya Real Estate Development (MRDS) has announced its acquisition of four residential buildings in the Al Sadd area for a total value of QR150mn. The company said it has completed all the procedures required to register the four residential buildings in Al Sadd, which it had previously announced, and that the buildings have officially been transferred to its private ownership. The value of the deal reached QR150mn, and a contract has been signed with a government institute to lease these buildings for a period of five years. The deal is considered positive because of its financial return for the company and its shareholders. The buildings consist of 155 housing units, divided into two types of apartments, including three-bedroom apartments and two-bedroom apartments, and each building contains a swimming pool, two gyms (one for men and another for women), and parking for 165 cars. Spread across a total building area of 6,659sqm, the buildings are located in a vital location in the Al Sadd area, and the site is distinguished by its proximity to all basic services and the daily needs of the residents. (Peninsula Qatar)

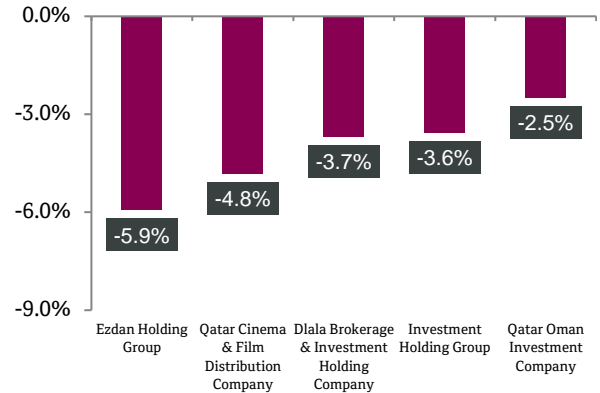
Qatar Stock Exchange

Top Gainers



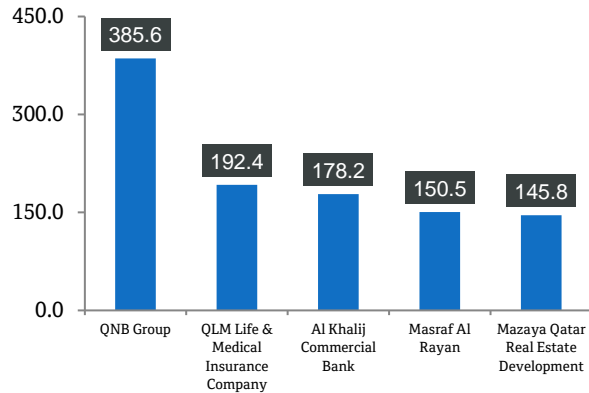
Source: Qatar Stock Exchange (QSE)

Top Decliners



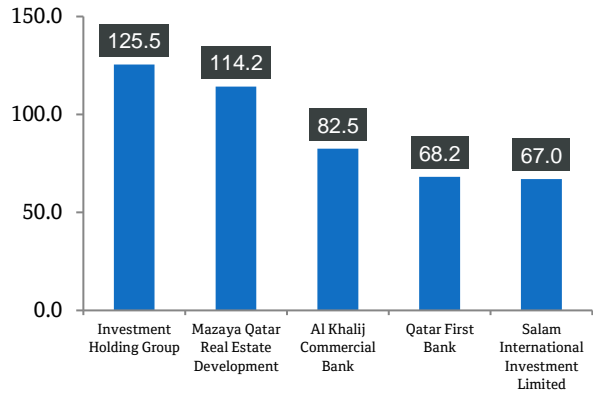
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



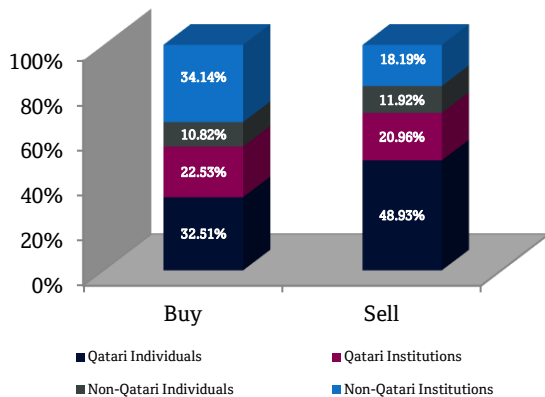
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



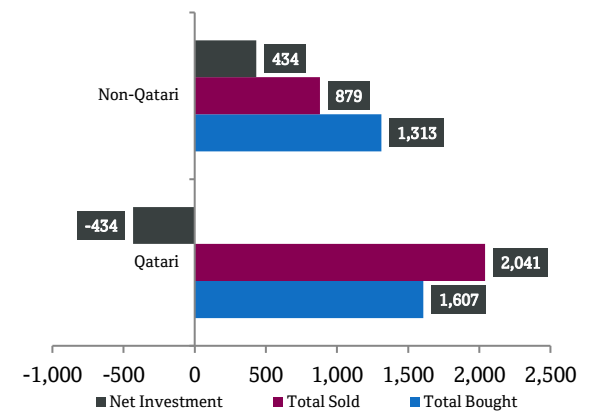
Source: Qatar Stock Exchange (QSE)

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 for the second week in 2021; it increased by 2.21% from the previous week and printed last at 10,913.83 points. The trend remains up and now we are looking at the 11,000 psychological resistance level, then the 11,700 would be our next resistance target. That been said, volatility is expected to increase on the Index as the RSI started to enter the overbought area. We update our support level to the 10,200 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 January 14	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	18.62	(0.64)	4.43	171,982	15.6	2.3	3.2
Qatar Islamic Bank	17.55	0.34	2.57	41,469	14.6	2.3	3.0
Commercial Bank of Qatar	4.46	1.36	1.36	18,051	12.4	1.0	4.5
Doha Bank	2.42	0.92	2.20	7,500	15.3	0.8	N/A
Al Ahli Bank	3.52	0.57	2.12	8,552	13.5	1.4	4.1
Qatar International Islamic Bank	9.49	2.05	4.84	14,365	16.3	2.3	4.5
Masraf Al Rayan	4.58	0.22	1.06	34,335	15.7	2.5	4.9
Al Khaliji Bank	2.17	6.05	18.28	7,826	12.3	1.2	3.4
Qatar First Bank	1.81	4.82	4.88	1,264	N/A	2.7	N/A
National Leasing	1.25	(0.08)	0.32	617	32.7	0.9	4.0
Diala Holding	1.72	(3.69)	(4.12)	489	N/A	2.4	N/A
Qatar & Oman Investment	0.86	(2.50)	(3.38)	270	21.4	0.9	2.3
Islamic Holding Group	5.15	0.49	0.66	292	53.0	2.1	N/A
Banking and Financial Services				307,012			
Zad Holding	15.00	0.33	0.60	3,555	17.6	2.4	5.7
Qatar German Co. for Medical Devices	2.38	4.39	6.39	275	N/A	9.1	N/A
Salam International Investment	0.64	(0.62)	(1.23)	735	N/A	0.5	N/A
Baladna	1.74	(0.80)	(2.63)	3,313	N/A	1.5	1.2
Medicare Group	8.92	0.79	0.90	2,510	30.6	2.5	20.2
Qatar Cinema & Film Distribution	3.53	(4.82)	(11.57)	222	50.7	0.2	2.8
Qatar Fuel	19.20	1.05	2.78	19,090	24.6	2.4	4.2
Qatar Meat and Livestock	6.28	0.00	(0.66)	1,130	13.2	2.8	4.8
Mannai Corp.	2.97	(0.97)	(1.03)	1,354	N/A	0.7	6.7
Al Meera Consumer Goods	20.90	1.46	0.92	4,180	20.6	2.8	4.1
Consumer Goods and Services				36,365			
Qatar Industrial Manufacturing	3.19	1.43	(0.59)	1,516	18.5	1.0	4.7
Qatar National Cement	4.30	(1.13)	3.59	2,810	23.1	0.9	7.0
Industries Qatar	12.10	7.75	11.32	73,205	49.9	2.2	3.3
Qatari Investors Group	1.81	(0.61)	(0.33)	2,244	28.7	0.8	3.0
Qatar Electricity and Water	18.40	0.60	3.08	20,240	13.5	2.2	4.2
Aamal	0.84	(1.41)	(1.75)	5,292	34.0	0.7	4.8
Gulf International Services	1.70	(1.11)	(1.05)	3,154	54.0	0.9	N/A
Mesaieed Petrochemical Holding	2.09	0.53	1.86	26,194	25.3	1.7	3.4
Investment Holding Group	0.57	(3.58)	(5.51)	470	9.9	0.6	N/A
Qatar Aluminum Manufacturing	0.98	0.00	1.24	5,463	N/A	1.0	1.0
Industrials				140,587			
Qatar Insurance	2.59	3.56	9.53	8,449	N/A	1.1	5.8
Doha Insurance	1.50	8.24	7.61	749	13.9	0.7	5.3
Qatar General Insurance & Reinsurance	2.64	1.73	(0.60)	2,314	N/A	0.5	N/A
Al Khaleej Takaful Insurance	1.94	0.83	1.95	494	16.6	0.9	2.6
Qatar Islamic Insurance	7.08	(0.31)	2.58	1,062	14.8	2.8	5.2
Insurance				13,068			
United Development	1.61	1.13	(2.84)	5,694	28.4	0.5	3.1
Barwa Real Estate	3.53	3.30	3.88	13,748	9.7	0.7	5.7
Ezdan Real Estate	1.68	(5.94)	(5.46)	44,535	N/A	1.4	N/A
Mazaya Qatar Real Estate Development	1.30	2.86	2.61	1,500	50.2	1.2	N/A
Real Estate				65,477			
Ooredoo	8.42	8.53	11.97	26,971	14.2	1.2	3.0
Vodafone Qatar	1.45	3.57	8.22	6,125	38.1	1.4	3.5
Telecoms				33,096			
Qatar Navigation (Milaha)	7.90	8.85	11.38	9,047	17.5	0.6	3.8
Gulf Warehousing	5.22	0.37	2.37	306	12.9	1.7	3.8
Qatar Gas Transport (Nakilat)	3.45	5.92	8.58	19,131	16.3	2.9	2.9
Transportation				28,484			
Qatar Exchange				628,214			

Source: Bloomberg

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