

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index increased by 296.90 points or 3.09% during the trading week to close at 9,918.60. Market capitalization rose by 3.62% to QR548.6 billion (bn) versus QR529.4bn the previous trading week. Of the 46 listed companies, 29 companies ended the week higher, while 14 declined and 3 remained unchanged. Ooredoo (ORDS) was the best performing stock for the week with a gain of 8.9% on a trading volume of 6.7 million (mn) shares. On the other hand, Qatar First Bank (QFBQ) was the worst performing stock for the week with a decline of 7.5% on 40mn shares traded.

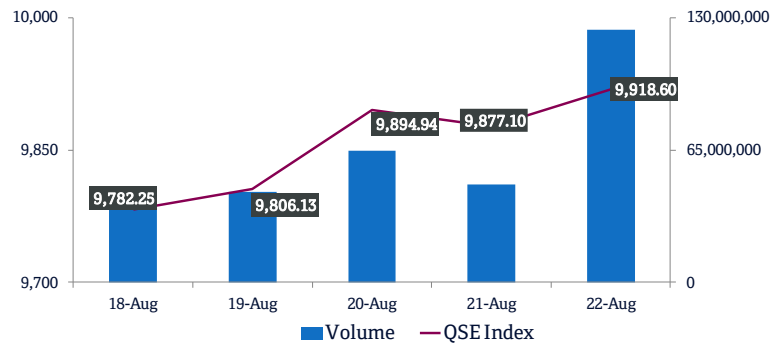
QNB Group (QNBK), Industries Qatar (IQCD) and Ooredoo (ORDS) were the primary contributors to the weekly index gain. QNBK was the biggest contributor to the index's weekly increase, adding 82.2 points to the index. IQCD was the second biggest contributor to the mentioned gain, contributing 58.7 points to the index. Moreover, ORDS tacked on 33.0 points to the index.

Trading value increased by 100.4% during the week by to QR851.7mn versus QR424.9mn in the prior week. The Banks & Financial Services sector led the trading value during the week, accounting for 47.6% of the total trading value. The Industrials sector was the second biggest contributor to the overall trading value, accounting for 23.3% of the total. QNBK was the top value traded stock during the week with total traded value of QR224.0mn.

Trading volume increased by 210.0% to reach 324.3mn shares versus 104.6mn shares in the prior week. The number of transactions rose 90.5% to 31,220 transactions versus 16,392 transactions in the prior week. The Banks and Financial Services sector led the trading volume, accounting for 34.0%, followed by the Banks & Financial Services sector, which accounted for 27.1% of the overall trading volume. Aamal Holding (AHCS) was the top volume traded stock during the week with 58.2mn shares traded.

Foreign institutions remained bearish with net selling of QR33.2mn vs. net selling of QR119.6mn in the prior week. Qatari institutions remained bullish with net buying of QR65.4mn vs. net buying of QR62.4mn in the week before. Foreign retail investors turned bearish with net selling of QR6.6mn vs. net buying of QR2.6mn in the prior week. Qatari retail investors turned bearish with net selling of QR25.5mn vs net buying of QR54.7mn the week before. Foreign institutions have bought (net basis) ~\$1.2bn worth of Qatari equities in 2019.

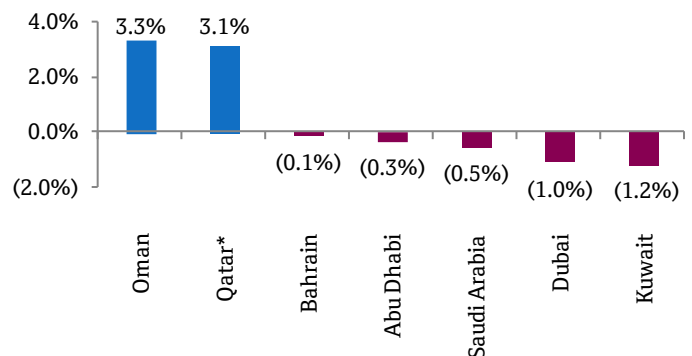
QSE Index and Volume



Market Indicators	Week ended August 22, 2019	Week ended August 15, 2019	Chg. %
Value Traded (QR mn)	851.7	424.9	100.4
Exch. Market Cap. (QR mn)	548,593.9	529,413.4	3.6
Volume (mn)	324.3	104.6	210.0
Number of Transactions	31,220	16,392	90.5
Companies Traded	46	45	2.2
Market Breadth	29:14	5:37	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	18,251.06	3.1	(5.6)	0.6
ALL Share Index	2,932.40	3.3	(5.4)	(4.8)
Banks and Financial Services	3,880.46	3.8	(5.3)	1.3
Industrials	2,966.68	3.6	(5.6)	(7.7)
Transportation	2,505.68	4.2	(3.8)	21.7
Real Estate	1,421.07	2.2	(5.5)	(35.0)
Insurance	2,667.37	1.0	(13.0)	(11.3)
Telecoms	890.03	5.8	(7.0)	(9.9)
Consumer Goods & Services	8,012.20	(0.5)	(1.7)	18.6
Al Rayan Islamic Index	3,832.19	1.8	(4.9)	(1.4)

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*	9,918.60	3.1	(5.6)	(3.7)	233.43	150,643.9	14.3	1.5	4.4
Dubai	2,768.85	(1.0)	(5.1)	9.5	155.35	98,778.3	11.6	1.0	4.4
Abu Dhabi	5,038.99	(0.3)	(5.2)	2.5	202.67	138,951.5	15.0	1.4	4.9
Saudi Arabia*	8,508.93	(0.5)	(2.6)	8.7	3,613.74	536,590.8	20.9	1.9	3.5
Kuwait	6,000.10	(1.2)	(1.9)	18.1	434.93	112,185.8	14.9	1.4	3.5
Oman	3,987.65	3.3	6.0	(7.8)	20.51	12,520.8	7.9	0.8	6.9
Bahrain	1,533.60	(0.1)	(0.9)	14.7	13.67	23,945.7	11.4	1.0	5.1

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; * Data as of August 21, 2019)

Economic News and Market & Corporate News

- Qatar's Industrial Production Index in June up by 1.9% YoY** – The monthly Industrial Production Index (IPI) of Qatar for June 2019 amounted to 105.3 points, showing a decrease of 0.8% compared to the previous month (May-2019), and increased by 1.9%, when compared to the corresponding month last year, data released by the Planning and Statistics Authority (PSA) showed. The IPI index details the growth of various industrial sectors in economy such as 'Mining', 'Manufacturing', 'Electricity production', and 'Water production and desalination'. It is a short-term quantitative index that measures the changes in the volume of productions of a selected basket of industrial products over a given period with respect to that in a chosen period called the base period. The index consists of three main components: 'Mining' with a relative importance of 83.6%, 'Manufacturing' with a relative importance of 15.2%, 'Electricity' with a relative importance of 0.7%, and finally 'Water' with a relative importance of 0.5%. The 'Mining' sector index for June showed a decrease of 1.3% compared to the previous month (May 2019), as a result of the decrease in the quantities of 'crude oil and natural gas' by 1.3%, while 'Other mining and quarrying' showed a decrease by 1.2%. When compared to the corresponding month of the previous year (June 2018), the IPI of Mining increased by 2.3%, QNA reported. The 'Manufacturing' sector showed an increase of 1.0% compared to the previous month (May 2019). The groups showing increases include: 'Manufacture of refined petroleum products' by 5.5%, 'Manufacture of beverages' by 2.9%, 'Manufacture of chemicals and chemical products' by 0.7%, and 'Manufacture of rubber and plastics products' by 0.2%. (Peninsula Qatar)
- Real estate trading volume at over QR312mn for week beginning August** – The volume of real estate trading in sales contracts at the Ministry of Justice's Real Estate Registration Department during the period from August 4 to August 8, 2019 stood at QR312,771,184. The monthly real estate analysis data showed that the list of real estate traded in the sale included land space, housing, residential buildings and residential complexes. Sales were concentrated in the municipalities of Al Rayyan, Doha, Al Daayen, Umm Salal, Al Khor, Al Dhakhira, Al Shamal, Al Wakrah and Al Shahaniya. The volume of real estate trading during the period from July 28 to August 1 was QR350,154,277, reported QNA. (Peninsula Qatar)
- Qatar's spending on projects to continue beyond 2022** – Government spending for Qatar's ambitious projects totaling over \$200bn will continue even after the staging of the FIFA World Cup games in 2022, Qatar Chamber's Chairman, HE Sheikh Khalifa bin Jassim Al Thani told The Oil & Gas Year (TOGY) in its 'Qatar 2019' report. Sheikh Khalifa said, "The level of projects will continue after the 2022 World Cup, and this is a very important issue. It is known that more than \$200bn will be spend in total in preparation for the tournament. This figure covers not only stadiums but huge and costly projects such as roads, a new airport, and hospitals." Sheikh Khalifa explained

that after the games, more than 150 large-scale projects will be offered after 2022, including infrastructure projects, roads and construction of buildings, hospitals, and schools. According to Sheikh Khalifa, the Qatari government has introduced a number of incentives for foreign investors and issued a series of laws and acts of legislation that have helped simplify doing business in the country and attracted more domestic and foreign investments. He said there are unrivalled opportunities for investment in Qatar in many of its sectors, namely in manufacturing, hospitality, real estate, energy, health, education and other areas. (Gulf-Times.com)

- Construction sector looks up as Qatar sees building permits rise in July** – Construction activities have picked a lot more pace in Qatar as the Planning and Statistics Authority (PSA) reported a 51% spike in the issue of building permits in July over the previous month. As many as 704 building permits were issued in July. Exactly half of those permits are for building new structures. Nearly 48% or 334 permits were issued to do extensions or additions and the remaining 2% (12) for fencing purposes. The PSA figures also showed a greater demand for villas than apartment buildings. Of all the residential permits issued in July, 68% (198) were for villas, as opposed to 7% (20) for apartment buildings. Around 24% (71) of the permits were for dwellings of housing loans. The government also seems to be expanding its office space. Of the permits issued for building non-residential structures in July, 29% (17) were for state buildings. It is followed by permits for industrial buildings such as workshops and factories with 27% (16) and commercial buildings with 25% (15). In July, Al Rayyan municipality issued the highest number of building permits – 188 or 27% of the total. It is followed by Doha with 151 or 22%, Al Wakrah with 131 or 19%, Al Da'ayen with 85 permits or 12%, Umm Slal with 58 or 8%, Al Khor with 39 or 6%, Al Sheehaniya with 31 permits or 4% and Al Shammal with 15 or 2%. (Qatar Tribune)
- Robust private sector credit off-take boosts Qatari bank assets** – A robust double-digit growth in credit to the private sector has outpaced total loan expansion within Qatar's commercial banks at the end of June 2019, indicating the growing resilience of the country's corporate sector as Doha enters the third year of economic and trade blockade by the Saudi-led quartet. The credit portfolio growth, mainly on account of strong recovery in credit off-take by the private sector, led the total assets of commercial banks in Qatar to register about 5% YoY increase to QR1.44tn at the end of June this year, according to the Qatar Central Bank (QCB) figures. Of the total assets, about 67% was credit portfolio that amounted to QR971.7bn, which witnessed about a 5% growth YoY in June 2019. Much of the credit went to the private sector, which accounted for more than 66% of the total, or QR643.68bn, in June this year. Credit to the private sector grew about 14% on a yearly basis. The higher growth in credit to the private sector shows the resiliency in the overall economy especially outside the hydrocarbons, even amidst the economic blockade, market sources said. The fast infrastructure development has been offering abundant opportunities to the private sector, whose credit needs have also been increasing, industry sources said. Credit to the public sector stood at

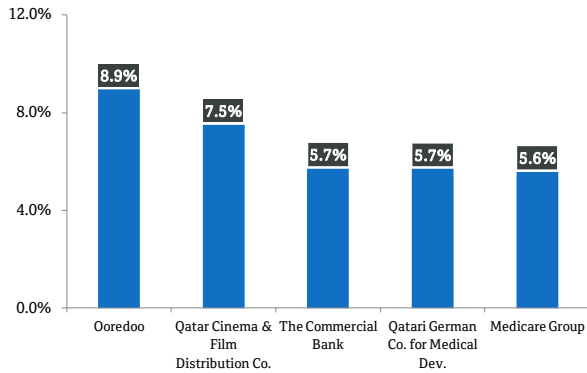
QR313.54bn, or more than 32% of the total credit, in June 2019. Credit to the public sector, however, witnessed more than 10% decline YoY. Of the QR1.43tn assets, as much as QR1.23tn, or more than 84%, was domestic assets and the remaining QR0.23tn, or about 16%, was overseas in June 2019. (Gulf-Times.com)

exercised by the customer at a later date, GISS will announce the award of the options accordingly. (Gulf-Times.com)

- **QCB: Qatar to register strong economic growth this year** – Qatar will likely maintain its position as one of the fastest growing economies in the GCC and will register a strong growth in 2019, the Qatar Central Bank (QCB) stated in its 2018 Annual Report. It added that favorable movements in global oil prices, strong exports and improvement in fiscal balance are likely to provide overall macroeconomic stability in 2019. While the Qatari economy remained robust and stable last year, real GDP growth has somewhat moderated to 1.4% in 2018, from 1.6% in 2017. With several FIFA World Cup 2022 related projects near completion stage, and as a result of the ongoing economic diversification strategy, sources of growth for non-hydrocarbon sector have been getting diversified. Going forward, as per the Qatar Economic Outlook released by Planning and Statistics Authority, real GDP is projected to grow at average rate of 2.8% during 2018-2020. The estimated budget surplus will fall to QR4.35bn in 2019, from a surplus of QR15.1bn in 2018, because of increase in expenditure on major projects by 15%. Total public revenue is estimated to increase by 1.5% to QR211bn. Revenue from 'oil and gas' is budgeted at QR168bn, a decline of three percent from the actual of 2018. Total public expenditure has also been budgeted at QR206.7bn during 2019, an increase of 1.7% and 7.2% over the budget estimates and the actual of 2018, respectively. (Peninsula Qatar)
- **Russia's VTB bank buys 19% stake in Qatar's CQUR bank** – Russia's second biggest bank VTB has acquired a 19% stake in Qatari lender CQUR Bank which was set up early this year, Interfax news agency reported, citing VTB's quarterly financial report and the Qatari Financial Centre. (Zawya)
- **GDI signs joint venture agreement with Seadrill Limited** – Gulf Drilling International (GDI), a wholly owned subsidiary of Gulf International Services (GISS), has executed a joint venture agreement with Seadrill Limited to service the Qatar Petroleum North Field Expansion drilling program. The joint venture, which will be established by Qatar Financial Centre under a 50:50 ownership structure, will be named 'GulfDrill'. The joint venture is formed to support the execution of the drilling contracts, which have been awarded to GDI, a release issued by GISS stated. GDI has no required capital contribution to the joint venture. GDI will be subcontracted by the joint venture to mobilize and manage the rigs to meet the requirements of the drilling contracts. The joint venture will source rigs directly from Seadrill Limited, and any additional rigs required will be sourced from an unrelated third-party shipyard. The firm terms of the well-based contracts will commence in 2020 with initial terms concluding in 2023 and 2024 and an estimated total contract value (including mobilization income) of QR2.39bn. The contracts include single well-based options which could add up to an estimated 13.7 cumulative years of term and an additional contract value of QR2.55bn. The options could be exercised only if the contractual stipulations are realized prior to the end of the firm contracts period. If the options are

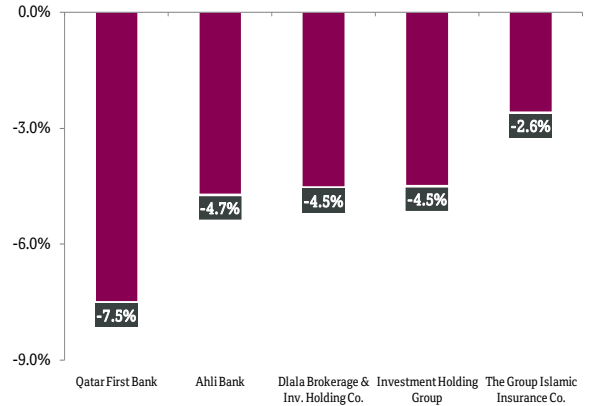
Qatar Stock Exchange

Top Gainers



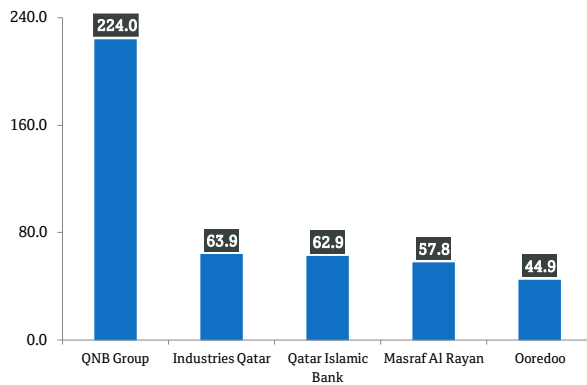
Source: Qatar Stock Exchange (QSE)

Top Decliners



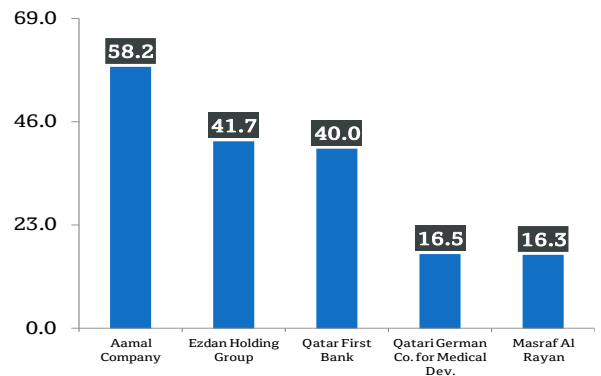
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



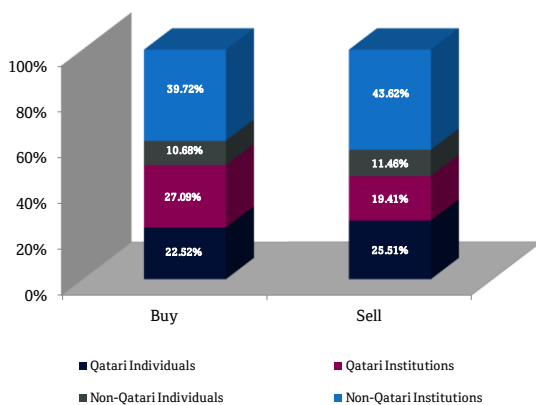
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



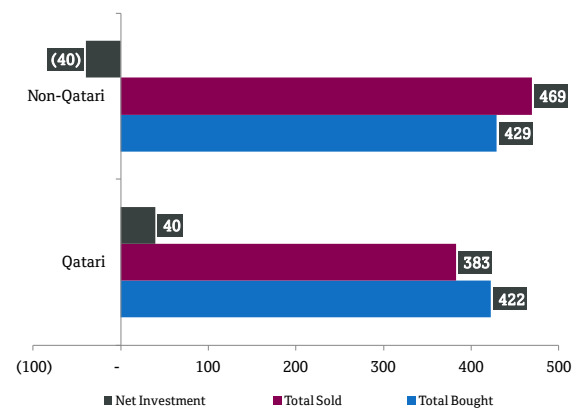
Source: Qatar Stock Exchange (QSE)

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 3.09% from the week before, and closed at 9,918.60 points. The Index kept moving inside the corrective channel and bounced off the strong support just at the 9,700 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 August 22	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	18.68	5.54	(4.21)	172,536	13.4	2.5	3.2
Qatar Islamic Bank	15.37	2.47	1.12	36,318	13.7	2.3	3.3
Commercial Bank of Qatar	4.44	5.71	12.72	17,970	12.1	1.1	3.4
Doha Bank	2.54	1.60	14.41	7,875	11.9	0.9	3.9
Al Ahli Bank	3.05	(4.69)	19.82	7,058	10.5	1.2	3.0
Qatar International Islamic Bank	7.70	1.72	16.45	11,655	13.7	2.1	5.2
Masraf Al Rayan	3.50	0.57	(16.03)	26,250	12.3	2.0	5.7
Al Khaliji Bank	1.16	0.87	0.52	4,176	7.3	0.7	6.5
Qatar First Bank	0.31	(7.46)	(24.02)	620	N/A	0.9	N/A
National Leasing	0.67	(0.15)	(24.35)	329	45.3	0.5	7.5
Diala Holding	0.68	(4.51)	(32.20)	193	N/A	0.9	N/A
Qatar & Oman Investment	0.50	(1.19)	(6.37)	158	55.1	0.5	6.0
Islamic Holding Group	2.05	(2.38)	(6.18)	116	319.9	0.8	N/A
Banking and Financial Services				285,254			
Zad Holding	13.21	(0.68)	27.02	1,901	15.1	2.0	6.4
Qatar German Co. for Medical Devices	0.65	5.69	14.84	75	N/A	2.1	N/A
Salam International Investment	0.40	0.76	(7.85)	456	N/A	0.4	N/A
Medicare Group	7.38	5.58	16.96	2,077	26.4	2.1	24.4
Qatar Cinema & Film Distribution	2.15	7.50	13.04	135	17.2	1.0	7.0
Qatar Fuel	21.01	(1.82)	26.57	20,889	17.4	2.7	3.8
Qatar Meat and Livestock	6.15	1.65	(12.14)	1,107	10.0	3.4	7.3
Mannai Corp.	3.48	0.00	(36.67)	1,588	5.1	0.6	5.7
Al Meera Consumer Goods	14.61	2.89	(1.28)	2,922	15.9	2.3	5.8
Consumer Goods and Services				31,150			
Qatar Industrial Manufacturing	3.18	(1.24)	(25.53)	1,511	10.5	1.0	7.9
Qatar National Cement	5.76	(0.69)	(3.19)	3,764	14.3	1.3	8.7
Industries Qatar	10.44	5.24	(21.86)	63,162	15.9	1.9	5.7
Qatari Investors Group	2.00	(0.50)	(28.08)	2,487	18.0	0.9	3.8
Qatar Electricity and Water	14.75	1.03	(20.27)	16,225	12.1	1.7	5.3
Aamal	0.76	4.68	(13.91)	4,794	12.1	0.1	7.9
Gulf International Services	1.59	3.92	(6.47)	2,955	N/A	0.8	N/A
Mesaieed Petrochemical Holding	2.60	3.59	72.99	32,664	31.8	2.3	3.1
Invesment Holding Group	0.51	(4.46)	5.11	427	7.5	0.5	4.9
Qatar Aluminum Manufacturing	0.78	1.69	(41.57)	4,352	N/A	N/A	2.6
Industrials				132,342			
Qatar Insurance	2.98	1.36	(16.99)	9,733	16.8	1.2	5.0
Doha Insurance	1.07	1.90	(18.26)	535	8.8	0.5	7.5
Qatar General Insurance & Reinsurance	3.35	0.00	(25.36)	2,931	13.8	0.5	3.0
Al Khaleej Takaful Insurance	1.69	(0.59)	96.74	431	13.9	0.8	3.0
Qatar Islamic Insurance	5.70	(2.56)	6.13	855	12.2	2.4	6.0
Insurance				14,486			
United Development	1.40	0.72	(5.08)	4,957	10.7	0.5	7.1
Barwa Real Estate	3.31	0.30	(17.06)	12,880	8.4	0.7	7.6
Ezdan Real Estate	0.63	4.28	(51.23)	16,790	56.7	0.5	N/A
Mazaya Qatar Real Estate Development	0.75	1.09	(4.49)	862	N/A	0.7	6.7
Real Estate				35,490			
Ooredoo	6.82	8.95	(9.07)	21,846	12.7	1.0	3.7
Vodafone Qatar	1.25	0.00	(19.97)	5,284	36.2	1.2	4.0
Telecoms				27,130			
Qatar Navigation (Milaha)	6.24	4.00	(5.47)	7,146	13.2	0.5	4.8
Gulf Warehousing	4.87	3.18	26.59	285	15.2	1.7	3.9
Qatar Gas Transport (Nakilat)	2.30	4.55	28.28	12,743	13.8	2.0	4.3
Transportation				20,174			
Qatar Exchange				548,594			

Source: Bloomberg

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