

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index increased by 26.9 points, or 0.29% during the week, to close at 9,211.89. Market capitalization increased by 1.85% to reach QR534.6 billion (bn) as compared to QR524.9bn at the end of the previous week. Of the 47 listed companies, 28 companies ended the week higher, while 19 fell. Ezdan Holding Group (ERES) was the best performing stock for the week, with a gain of 32.7%. On the other hand, Al Khaleej Takaful Insurance (AKHI) was the worst performing stock with a decline of 6.9%.

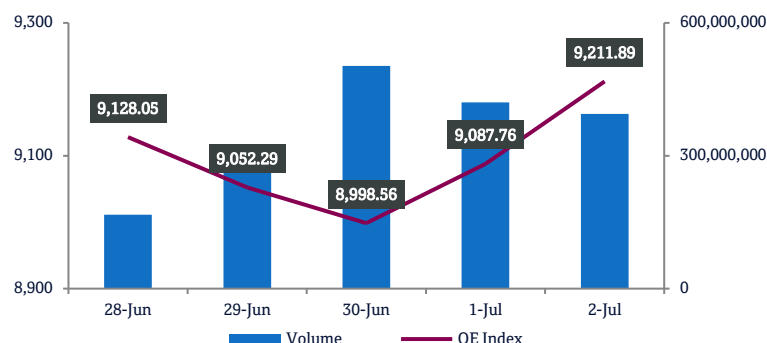
Masraf Al Rayan (MARK), Ezdan Holding Group (ERES) and Milaha (QNNS) were the primary contributors to the weekly index gain. MARK was the biggest contributor to the index's weekly gain, adding 29.2 points to the index. ERES was the second biggest contributor to the mentioned gain, piling 19.9 points on the index. Moreover, QNNS added 17.9 points to the index.

Trading value during the week increased by 49.5% to reach QR2.6bn vs. QR1.7bn in the prior week. The Banks and Financial Services sector led the trading value during the week, accounting for 33.6% of the total trading value. Real Estate sector was the second biggest contributor to the overall trading value, accounting for 29.3% of the total trading value. ERES was the top value traded stock during the week with total traded value of QR485.5mn.

Trading volume increased by 37.2% to reach 1.7bn shares vs. 1.3bn shares in the prior week. The number of transactions rose by 10.8% to reach 45,571 transactions versus 41,137 transactions in the prior week. The Real Estate sector led the trading volume, accounting for 40.2%, followed by the Banks and Financial Services sector comprising 20.4% of the overall trading volume. ERES was the top volume traded stock during the week with total traded volume of 449.5mn shares.

Foreign institutions ended the week with a change in direction; they net sold QR65.3mn vs. net buying of QR0.7mn in the prior week. Qatari institutions remained positive with net buying of QR153.8mn vs. net buying of QR24mn in the week before. Foreign retail investors remained negative with net selling of QR9.8mn vs. net selling of QR0.8mn in the prior week. Qatari retail investors remained bearish with net selling of QR78.7mn vs. net selling of QR24.1mn the week before.

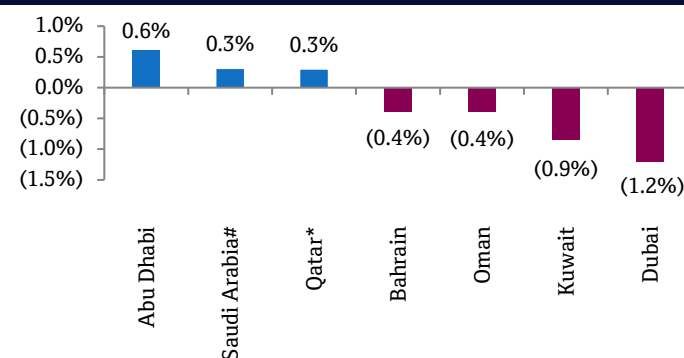
QSE Index and Volume



Market Indicators	Week ended July 02, 2020	Week ended June 25, 2020	Chg. %
Value Traded (QR mn)	2,627.0	1,757.1	49.5
Exch. Market Cap. (QR mn)	534,618.0	524,930.5	1.8
Volume (mn)	1,772.0	1,291.7	37.2
Number of Transactions	45,571	41,137	10.8
Companies Traded	47	46	2.2
Market Breadth	28:19	23:22	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	17,709.56	0.3	2.4	(7.7)
ALL Share Index	2,877.66	0.5	2.5	(7.1)
Banks and Financial Services	4,028.35	0.5	3.2	(4.6)
Industrials	2,588.87	0.2	3.2	(11.7)
Transportation	2,768.65	2.6	2.0	8.3
Real Estate	1,484.52	2.5	(0.1)	(5.1)
Insurance	1,978.87	1.2	0.4	(27.6)
Telecoms	874.81	0.1	0.8	(2.3)
Consumer Goods & Services	7,281.09	(1.3)	(0.3)	(15.8)
Al Rayan Islamic Index	3,688.44	0.2	1.9	(6.6)

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*	9,211.89	0.3	2.4	(11.6)	716.24	145,843.8	14.5	1.4	4.3
Dubai	2,061.49	(1.2)	(0.2)	(25.4)	251.15	79,886.0	6.2	0.7	4.7
Abu Dhabi	4,311.72	0.6	0.6	(15.1)	166.97	131,957.3	13.8	1.3	5.9
Saudi Arabia#	7,253.33	0.3	0.4	(13.5)	6,060.88	2,207,234.5	21.9	1.8	3.6
Kuwait	5,123.80	(0.9)	(0.1)	(18.4)	300.09	94,420.0	14.8	1.2	3.9
Oman	3,511.77	(0.4)	(0.1)	(11.8)	15.62	15,325.6	10.0	0.8	6.8
Bahrain	1,274.36	(0.4)	(0.3)	(20.9)	13.26	19,266.9	9.5	0.8	5.5

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; #Data as of July 01, 2020)

Economic / Corporate News

- **QNBK to disclose 2Q2020 financials on July 12** – QNB Group (QNBK) will disclose the financial reports for the period ending June 30, 2020 on July 12, 2020. (QSE)
- **QGTS to disclose 2Q2020 financials on July 15** – Qatar Gas Transport Company (QGTS) will disclose the financial reports for the period ending June 30, 2020 on July 15, 2020. (QSE)
- **IHGS to disclose 2Q2020 financials on July 16** – Inma Holding (IHGS), former Islamic Holding Group, will disclose the financial reports for the period ending June 30, 2020 on July 16, 2020. (QSE)
- **QIBK to disclose 2Q2020 financials on July 15** – Qatar Islamic Bank (QIBK) will disclose the financial reports for the period ending June 30, 2020 on July 15, 2020. (QSE)
- **QFLS to disclose 2Q2020 financials on July 15** – Qatar Fuel (QFLS) will disclose the financial reports for the period ending June 30, 2020 on July 15, 2020. (QSE)
- **ORDS to disclose 2Q2020 financials on July 28** – Ooredoo (ORDS) will disclose the financial reports for the period ending June 30, 2020 on July 28, 2020. (QSE)
- **ORDS to hold Investor Relation conference call on July 29** – Ooredoo (ORDS) will hold the Investors relation conference call to discuss the financial results for the 2Q2020 on July 29, 2020 at 2:00 pm, Doha Time. (QSE)
- **IHGS to hold Investor Relation conference call on July 20** – Inma Holding (IHGS), former Islamic Holding Group, will hold the Investors relation conference call to discuss the financial results for the 2Q2020 on July 20, 2020 at 1:00 pm, Doha Time. (QSE)
- **ABQK to disclose 2Q2020 financials on July 20** – Ahli Bank (ABQK) will disclose the financial reports for the period ending June 30, 2020 on July 20, 2020. (QSE)
- **QIGD to hold its AGM on July 22** – Qatari Investors Group (QIGD) has invited the shareholders to attend the Ordinary General Assembly Meeting (AGM) to be held on July 22, 2020. If the legal quorum is not met, the second meeting will be held on July 26, 2020. (Gulf-Times.com)
- **QIGD to hold Investors Relation conference call on July 23** – Qatari Investors Group (QIGD) will hold the conference call with the Investors to discuss the financial results for 2Q2020 on July 23, 2020 at 14:00pm Doha time. (QSE)
- **MARK and KCBK enter initial negotiation for potential merger** – In a joint press release issued, Masraf Al Rayan (MARK) and Al Khalij Commercial Bank (KCBK) have announced that they have entered into initial negotiations regarding a potential merger to create a larger and stronger financial institution with a solid financial position and liquidity to support Qatar's economic growth and to finance development initiatives in line with Qatar Vision 2030. The proposed merger is subject to the approval of the Qatar Central Bank, the Qatar Financial Markets Authority, the Ministry of Commerce and Industry, and other relevant official bodies and the approval of the shareholders in each of MARK and KCBK after the completion of a detailed legal and financial due diligence. The new entity will maintain all its

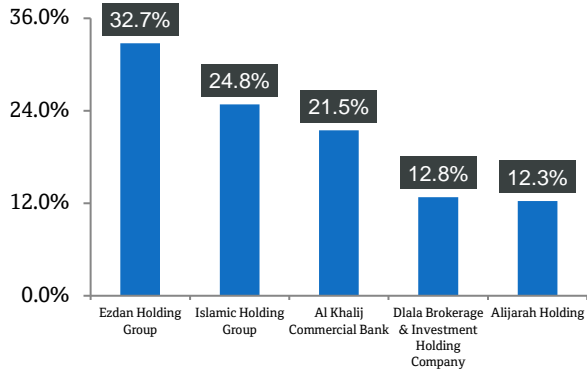
dealings in compliance with Shari'ah principles. The potential merger will lead to the creation of one of the largest Shari'ah compliant bank in the State of Qatar and in the Middle East with total assets exceeding QR164bn (\$45bn) and shareholders equity of more than QR19bn (\$5.2bn). The merger is also expected to contribute positively to the economic development in the State of Qatar by supporting corporate businesses and small and medium sized entities, and would also create a strategic partner for the public sector. The merger is also expected to create value to all stakeholders, including the shareholders, the banks customers and to the economies the banks currently operate in. The potential merger would aggregate in the combined entity the key strengths of the two banks, in the areas of corporate, retail and wealth management & private banking. (QSE, Gulf-Times.com)

- **Qatari banks' assets jump more than 9% in May on domestic credit expansion** – A healthy double-digit expansion in the domestic credit helped Doha's commercial banks witness a more than 9% jump in total assets at the end of May this year, according to the Qatar Central Bank (QCB). Total assets of commercial banks stood at QR1.56tn with domestic assets constituting QR1.35tn or 87% of the total and overseas assets at QR0.21bn or 13% of the total. The domestic assets witnessed more than 12% YoY expansion at the end of March 31, 2020, on a robust growth trajectory especially in the case of credit, securities portfolio, cash and precious metals, and claims on central bank. Total credit of the commercial banks grew about 11% YoY to QR1.06tn at the end of the review period. They constituted about 68% of the total assets of the banks. The commercial banks' domestic credit expanded more than 15% YoY to QR988.57bn; whereas overseas credit shrank about 12% to QR71.28bn in the review period. Total private sector credit registered a more than 13% YoY expansion to QR718.42bn, or 68%, of the total credit this May and public sector credit expanded by more than 6% to QR327.26bn, while non-banking finance credit declined more than 4% to QR14.17bn in the review period. The commercial banks' total securities portfolio amounted to QR197.66bn, which saw about 11% year increase in May this year. Domestic portfolio was seen growing more than 12% to QR179.59bn; while overseas portfolio shrank more than 1% to QR18.08bn. Of the total QR197.66bn total securities portfolio; debt (conventional) was to the extent of QR117.68bn, which rose about 13% YoY; and Sukuk QR75.16bn (7%). The domestic debt was QR105.06bn or 89% of the total debt in May 2020. The government debt grew about 19% YoY to QR96.13bn; whereas that of the banks declined 17% to QR5.35bn and others by 15% to QR3.58bn at the end of May 2020. Of the QR72.17bn domestic Sukuk, the government's issuance amounted to QR68.19bn and those from the banks stood at QR3.25bn during the review period. The commercial banks' total investment in subsidiaries and associates amounted to QR44.34bn in May 2020, which, however, saw more than 3% fall YoY. The commercial banks' other assets shot up about 29% YoY to QR36.18bn and net fixed assets by about 6% to QR7.31bn at the end of May this year. (Gulf-Times.com)

- EIU: Qatar's banking system supported by strong regulatory framework, solid capital and liquidity** – Qatar's commercial banks have been increasing liquidity from abroad in the form of a number of debt issues, and cash injections from the Qatar Investment Authority have bolstered banks' liquidity, the Economist Intelligence Unit (EIU) has said in an update. The ratio of non-performing loans as a proportion of total loans disbursed by the local banks has historically been low, but it is "likely to rise" in the short term, EIU noted in a risk assessment. "Banking sector risk is BB-rated. It is supported by a strong regulatory framework and solid capital and liquidity indicators," the EIU said. Despite the current account moving into deficit in 2020-21, the currency regime should be able to weather the short-term shocks posed by the coronavirus pandemic, according to the update. "Exports are expected to decline in 2020, but the Riyal's peg to the US Dollar is backed by ample foreign reserves and the assets of the Qatar Investment Authority (the sovereign wealth fund), the EIU said and noted the currency risk is BB-rated. The economic shock from the coronavirus pandemic is expected to lead to a recession, a drop in goods export earnings and a shift to a significant fiscal deficit. This will lead to a surge in fiscal financing needs. However, the EIU emphasized Qatar's ability to fully service its debt obligations remains strong. Qatar's overdependence on hydrocarbons exports leaves it exposed to international price movements, it said. Efforts to promote economic diversification will be hampered by the oil price slump and the ongoing blockade of Qatar (by a quartet of Arab nations). "The country's large stock of public debt weighs on the outlook, but a sound financial system is supportive," the EIU said. (Gulf-Times.com)
- QGMD to hold its EGM on July 15** – Qatari German Company for Medical Devices (QGMD) will hold its Electronic Extraordinary General Assembly Meeting (EGM) on July 15, 2020 at 4:30 pm. The agenda includes to discuss the following Items. (1) Consider the recommendation of the board of directors to continue the operations of the company despite company's accumulated losses reaches more than half of its capital, (2) Amend the Articles of Association of QGMD, (3) Authorizing the Chairman of the board of directors or his representative to make amendments to the Article of Association and sign the amended Article of Association and completing the procedures and obtaining the legal approvals with official authorities and ratifying it. (QSE)
- QGRI announces the resignation of the Group CEO** – Qatar General Insurance and Reinsurance Company (QGRI) announced its temporary Board of Directors' approval of the resignation of Hassan Ahmed Hassan Al Efrangi from his position as a Group CEO and the appointment of Saeed Abu Gharbieh as the Acting Group CEO starting from today. (QSE)

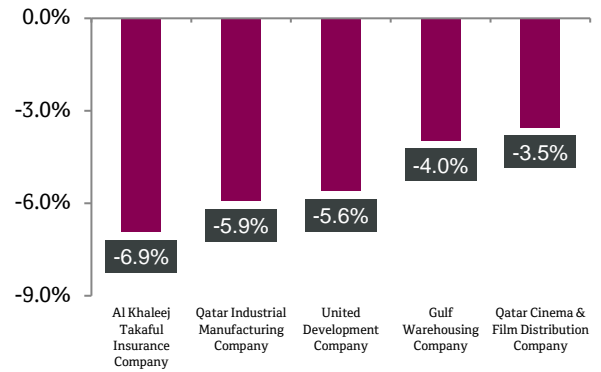
Qatar Stock Exchange

Top Gainers



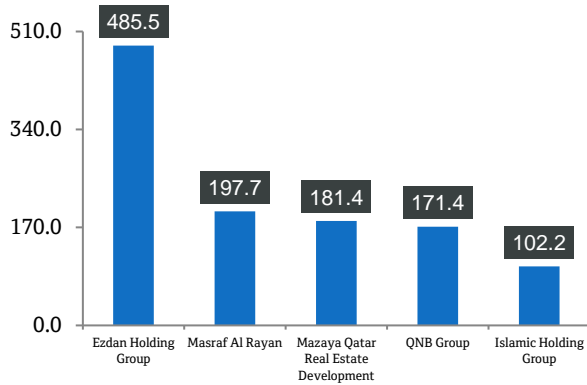
Source: Qatar Stock Exchange (QSE)

Top Decliners



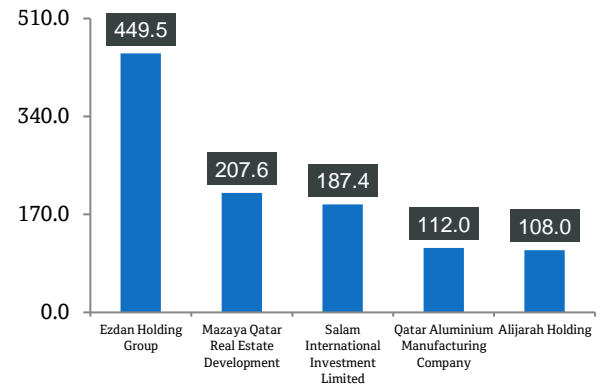
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



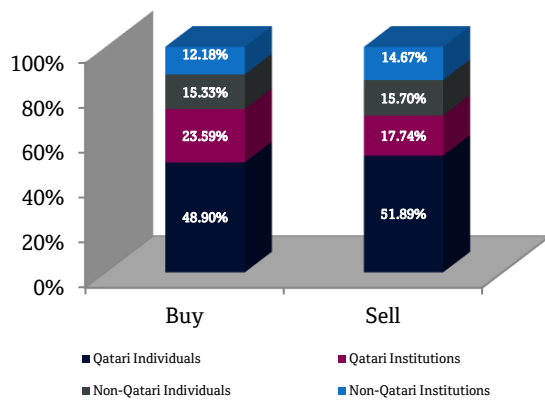
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



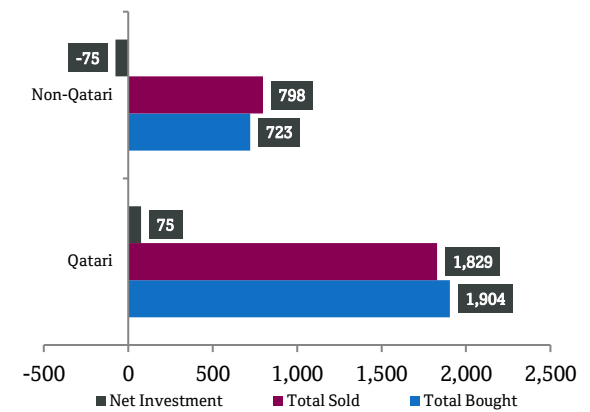
Source: Qatar Stock Exchange (QSE)

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 QSE Index closed flattish, gaining 0.29% from the week before and finished at the 9,211.89 level. The Index remains below its 200-day and getting closer to the lower side of the corrective short-term uptrend; it is imperative for the general index to remain above the 9,000 to hold its ground.

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 July 02	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	17.96	(0.22)	(12.77)	165,886	13.2	2.4	3.3
Qatar Islamic Bank	16.00	(0.74)	4.37	37,807	13.3	2.3	3.3
Commercial Bank of Qatar	3.83	(1.65)	(18.60)	15,485	8.9	0.9	5.2
Doha Bank	2.13	2.65	(15.77)	6,607	12.0	0.8	N/A
Al Ahli Bank	3.04	0.33	(8.80)	7,386	10.9	1.3	4.7
Qatar International Islamic Bank	8.27	(1.91)	(14.57)	12,518	14.2	2.2	5.1
Masraf Al Rayan	4.00	3.09	1.01	30,000	13.7	2.4	5.6
Al Khaliji Bank	1.65	21.47	26.11	5,947	9.9	1.1	4.5
Qatar First Bank	1.05	2.15	28.00	733	N/A	1.4	N/A
National Leasing	0.85	12.30	20.43	420	30.5	0.6	5.9
Dlala Holding	1.50	12.78	145.50	426	N/A	2.3	N/A
Qatar & Oman Investment	0.68	5.12	1.20	213	29.9	0.8	3.0
Islamic Holding Group	4.12	24.85	116.84	233	291.5	1.7	N/A
Banking and Financial Services				283,662			
Zad Holding	14.55	0.34	5.28	3,448	16.7	2.2	5.8
Qatar German Co. for Medical Devices	1.27	1.93	117.53	146	N/A	5.2	N/A
Salam International Investment	0.46	9.24	(10.83)	527	N/A	0.6	N/A
Baladna	1.38	11.02	38.00	2,623	N/A	1.2	1.5
Medicare Group	6.93	(1.07)	(18.05)	1,949	27.4	2.1	26.0
Qatar Cinema & Film Distribution	2.70	(3.54)	22.73	170	37.6	0.1	3.7
Qatar Fuel	16.03	(2.85)	(30.00)	15,938	14.3	1.9	5.0
Qatar Meat and Livestock	6.99	5.18	3.39	1,258	12.6	4.0	4.3
Mannai Corp.	2.93	(0.75)	(4.94)	1,336	10.3	0.5	6.9
Al Meera Consumer Goods	18.08	(0.11)	18.17	3,616	18.8	2.9	4.7
Consumer Goods and Services				31,011			
Qatar Industrial Manufacturing	2.70	(5.92)	(24.37)	1,283	13.7	0.8	5.6
Qatar National Cement	3.71	(2.37)	(34.34)	2,425	17.1	0.8	8.1
Industries Qatar	8.00	(0.50)	(22.18)	48,400	23.2	1.5	5.0
Qatari Investors Group	1.91	7.19	6.59	2,372	22.3	0.9	2.9
Qatar Electricity and Water	16.25	0.62	0.99	17,875	12.6	2.2	4.8
Aamal	0.76	3.53	(6.15)	4,807	15.6	0.6	5.2
Gulf International Services	1.51	(1.37)	(12.27)	2,804	101.2	0.8	N/A
Mesaieed Petrochemical Holding	2.10	(0.05)	(16.37)	26,370	27.1	1.8	3.3
Invesment Holding Group	0.53	1.34	(6.38)	438	8.9	0.5	N/A
Qatar Aluminum Manufacturing	0.79	7.37	0.77	4,392	N/A	0.8	1.3
Industrials				111,166			
Qatar Insurance	1.92	0.63	(39.15)	6,281	63.9	0.9	7.8
Doha Insurance	1.01	(1.94)	(15.83)	505	10.8	0.5	7.9
Qatar General Insurance & Reinsurance	2.25	6.54	(8.66)	1,966	N/A	0.4	N/A
Al Khaleej Takaful Insurance	1.80	(6.94)	(10.10)	459	14.6	0.9	2.8
Qatar Islamic Insurance	6.25	1.78	(6.45)	937	12.7	2.7	6.0
Insurance				10,148			
United Development	1.13	(5.60)	(25.66)	4,001	16.6	0.4	4.4
Barwa Real Estate	3.03	0.97	(14.44)	11,787	9.7	0.6	6.6
Ezdan Real Estate	1.20	32.74	95.12	31,830	3342.6	1.0	N/A
Mazaya Qatar Real Estate Development	0.86	4.48	20.03	999	35.3	0.8	N/A
Real Estate				48,617			
Ooredoo	6.60	(0.11)	(6.78)	21,141	12.6	1.0	3.8
Vodafone Qatar	1.11	0.82	(4.31)	4,692	32.0	1.1	4.5
Telecoms				25,833			
Qatar Navigation (Milaha)	6.00	7.16	(1.64)	6,872	13.2	0.5	5.0
Gulf Warehousing	4.97	(3.97)	(9.40)	291	12.0	1.7	4.0
Qatar Gas Transport (Nakilat)	2.60	0.66	8.74	14,399	13.8	2.5	3.8
Transportation				21,562			
Qatar Exchange				534,618			

Source: Bloomberg

Contacts

Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

saugata.sarkar@qnbfs.com.qa

Mehmet Aksoy, PhD

Senior Research Analyst

Tel: (+974) 4476 6589

mehmet.aksoy@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

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

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNB FS") a wholly-owned subsidiary of Qatar National Bank (Q.P.S.C.). QNB FS is regulated by the Qatar Financial Markets Authority and the Qatar Exchange. Qatar National Bank (Q.P.S.C.) is regulated by the Qatar Central Bank. This publication expresses the views and opinions of QNB FS at a given time only. It is not an offer, promotion or recommendation to buy or sell securities or other investments, nor is it intended to constitute legal, tax, accounting, or financial advice. QNB FS accepts no liability whatsoever for any direct or indirect losses arising from use of this report. Any investment decision should depend on the individual circumstances of the investor and be based on specifically engaged investment advice. We therefore strongly advise potential investors to seek independent professional advice before making any investment decision. Although the information in this report has been obtained from sources that QNB FS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNB FS does not make any representations or warranties as to the accuracy and completeness of the information it may contain, and declines any liability in that respect. For reports dealing with Technical Analysis, expressed opinions and/or recommendations may be different or contrary to the opinions/recommendations of QNB FS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNB FS reserves the right to amend the views and opinions expressed in this publication at any time. It may also express viewpoints or make investment decisions that differ significantly from, or even contradict, the views and opinions included in this report. This report may not be reproduced in whole or in part without permission from QNB FS

COPYRIGHT: No part of this document may be reproduced without the explicit written permission of QNB FS.