

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index gained 307.87 points or 2.97% during the trading week to close at 10,658.22. Market capitalization rose by 3.43% to QR611.5 billion (bn) versus QR591.2bn at the end of the previous trading week. Of the 46 listed companies, 36 companies ended the week higher, while 9 declined and 1 remained unchanged. Qatar German Co. for Medical Devices (QGMD) was the best performing stock for the week with a gain of 25.3% on a trading volume of 2.1 million (mn) shares. On the other hand, Ooredoo (ORDS) was the worst performing stock for the week with a decline of 1.8% on 566,673 shares traded.

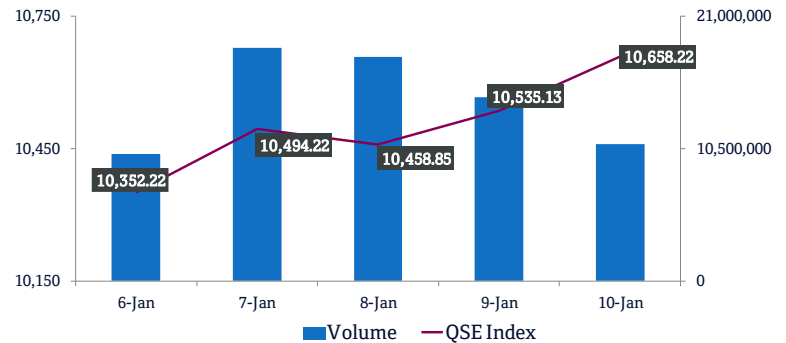
Industries Qatar (IQCD), Qatar Islamic Bank (QIBK) and QNB Group (QNBK) were the primary contributors to the weekly index gain. IQCD was the biggest contributor to the index's weekly gain, adding 109 points to the index. QIBK was the second biggest contributor to the mentioned gain, tacking on 37.7 points to the index. Moreover, QNBK contributed 34.5 points to the index. On the other hand, Ooredoo (ORDS) deleted 8.3 points from the index.

Trading value during the week increased by 121.8% to QR1.47bn versus QR663.3mn in the prior week. The Banks and Financial Services sector led the trading value during the week, accounting for 34.1% of the total trading value. The Industrials sector was the second biggest contributor to the overall trading value, accounting for 28.6% of the total. QNBK was the top value traded stock during the week with total traded value of QR241.2mn.

Trading volume increased by 139.2% to reach 71.8mn shares versus 30.0mn shares in the prior week. The number of transactions increased by 70.3% to 38,073 transactions versus 22,355 transactions in the prior week. The Industrials sector led the trading volume, accounting for 33.7%, followed by the Banks and Financial Services sector which accounted for 26.6% of the overall trading volume. Qatar First Bank (QFBQ) was the top volume traded stock during the week with 12.5mn shares.

Foreign institutions remained bullish with net buying of QR217.8mn vs. net buying of QR92.6mn in the prior week. Qatari institutions turned positive with net buying of QR16.2mn vs. net selling of QR48.7mn in the week before. Foreign retail investors turned bearish with net selling of QR12.9mn vs. net buying of QR5.2mn in the prior week. Qatari retail investors remained bearish with net selling of QR221.1mn vs. net selling of QR49.2mn the week before. Foreign institutions have bought (net basis) ~\$31.3mn worth of Qatari equities in 2019.

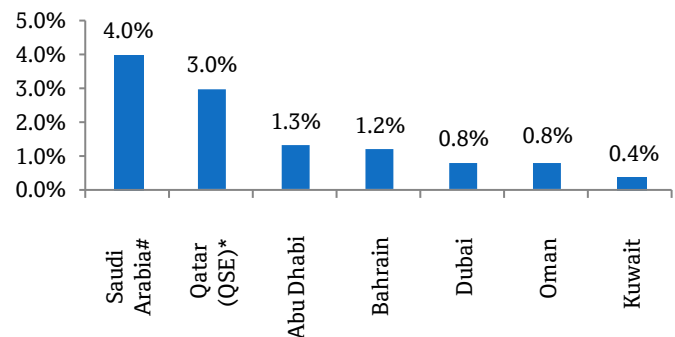
QSE Index and Volume



Market Indicators	Week ended Jan 10, 2019	Week ended Jan 03, 2019	Chg. %
Value Traded (QR mn)	1,471.4	663.3	121.8
Exch. Market Cap. (QR mn)	611,455.1	591,159.8	3.4
Volume (mn)	71.8	30.0	139.2
Number of Transactions	38,073	22,355	70.3
Companies Traded	46	45	2.2
Market Breadth	36:9	27:17	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	18,778.60	3.0	3.5	3.5
ALL Share Index	3,216.60	3.9	4.5	4.5
Banks and Financial Services	3,917.62	2.3	2.3	2.3
Industrials	3,377.43	4.7	5.1	5.1
Transportation	2,132.25	2.9	3.5	3.5
Real Estate	2,408.56	8.8	10.1	10.1
Insurance	3,293.78	4.4	9.5	9.5
Telecoms	1,014.77	0.6	2.7	2.7
Consumer Goods & Services	7,047.63	4.0	4.4	4.4
Al Rayan Islamic Index	4,041.84	3.2	4.0	4.0

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 (QSE)*	10,658.22	3.0	3.5	3.5	619.89	167,905.6	15.8	1.6	4.1
Dubai#	2,545.65	0.8	0.6	0.6	188.26	93,769.1#	7.7	0.9	7.2
Abu Dhabi	4,962.37	1.3	1.0	1.0	139.50	135,802.9	13.3	1.4	4.9
Saudi Arabia#	8,146.68	4.0	4.1	4.1	3,825.52	515,867.0	17.6	1.8	3.4
Kuwait	4,791.47	0.4	1.1	1.1	543.09	33,171.6	16.9	0.8	4.3
Oman	4,310.56	0.8	(0.3)	(0.3)	32.20	18,605.6	10.2	0.8	6.0
Bahrain	1,341.72	1.2	0.3	0.3	53.13	20,408.9	8.7	0.8	6.1

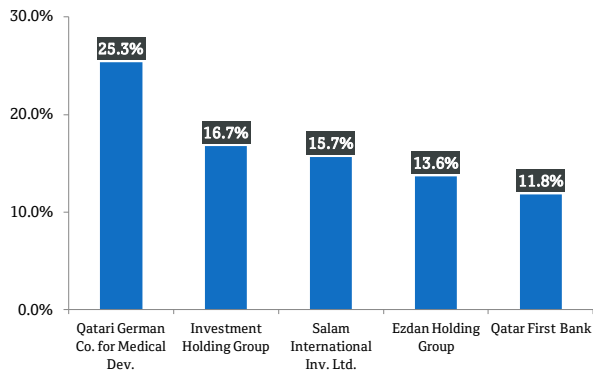
Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; # Data as of January 09, 2019)

Economic & Corporate News

- **Qatar's US Dollar peg expected to hold firm** – The Qatari riyal's peg to the US Dollar is expected to hold firm as the country's central bank has large foreign exchange (FX) reserves to support the currency, researcher Euler Hermes has said in a report. "Exchange rate peg should hold although inflation is set to rise," Euler Hermes said. Qatar's public finances are to "remain solid", although after 16 years of continued large surpluses, persistent low oil and gas prices (since mid-2014) pushed the fiscal account into a deficit in 2016, estimated at 4.5% of GDP. The deficit would have reduced to 2.5% in 2018, the report noted. Public debt rose from 32% of GDP in 2014 to 48% in 2016 (around \$75bn) and is forecast to increase to about 52% at end-2018. However, Qatar will remain a large net external creditor thanks to the huge foreign-asset position in the Qatar Investment Authority (QIA). Noting that Qatar's debt service to export earnings ratio stands at a "moderate" level, Euler Hermes said the country's repayment obligations are "unlikely to present liquidity problems." Incurred by oil and gas investments since the 2000s, external debt is "relatively high." (Gulf-Times.com)
- **Qatar's central bank sells QR500mn of Treasury bills** – Qatar's central bank sold QR500mn of Treasury bills with maturities of three, six and nine months, it said. It sold QR300mn of three-month Treasury bills at an interest rate of 2.36%, QR100mn of six-month Treasury bills at an interest rate of 2.43% and QR100mn of nine-month Treasury bills at an interest rate of 2.72%, it said. (Zawya)
- **Qatar establishes new tax authority** – Qatar has established the General Tax Authority (GTA), which will be in charge of implementing all tax laws and improving tax compliance in the country. GTA has been established as a separate entity, under the supervision of the Ministry of Finance, and is in line with Qatar's plans to reduce the country's dependence on hydrocarbon resources. The law establishing the GTA mandates the authority to implement all tax laws and set up all related bylaws, procedures and instructions and be responsible for their implementation, review and assess tax return forms and collect taxes from subject entities. It also mandates the GTA to represent Qatar in relevant international and regional organizations and at international conferences and events and sign tax agreements with other countries to encourage economic cooperation and joint investments. The GTA will support the goals of Qatar National Vision 2030. (Gulf-Times.com)
- **Amir issues law on non-Qatari capital investment** – HH the Amir Sheikh Tamim bin Hamad Al Thani issued Law No. 1 of 2019 regulating the investment of the non-Qatari capital in economic activity. The law is effective and shall be published in the official gazette. The law opens the way for foreign investors to own 100% ownership in all sectors, as well as support for investors' entry into the Qatari market. The law offers many investment incentives including allocation of land to non-Qatari investors to establish investment through the use or rent in accordance with the applicable rules and regulations. The non-Qatari investors can import what they need for the investment, in addition to exempting the project from income tax, in accordance with the procedures and regulation stipulated in the Income Tax Law. The law stipulates that the non-Qatari investment projects shall be exempted from customs duties on their imports of machinery and necessary equipment they import for their establishments. In the field of industry, raw materials and semi-manufactured items for production which are not available in the local markets will be exempted from custom duties on their imports. (Peninsula Qatar)
- **QNB Group issues supplementary disclosure on issuing revolving financial instruments** – Further to the announcement made by QNB Group on December 30, 2018, the following salient features of the Additional Tier 1 (AT1) Perpetual bond were highlighted: i) The Perpetual bond is an Additional Tier 1 Capital Note with no maturity date as this is treated as an item of equity; ii) The Perpetual bond has been issued in accordance with QCB Basel III regulations; iii) The Perpetual bond helps to preserve bank's total equity position to support organic/inorganic business growth; iv) QNB Group will pay coupon on the Perpetual bond forever until they are called up by the issuing bank (QNB Group); and v) Payment of coupons does not affect QNB Group's profitability. (QSE)
- **Cabinet approves draft law on concession granted to WOQOD** – The Cabinet's regular meeting chaired by HE the Prime Minister, Sheikh Abdullah bin Nasser bin Khalifa Al-Thani on Wednesday approved a draft law on the concession granted to Qatar Fuel Company (WOQOD) for selling, marketing, transporting and distributing gas and petroleum products. It decided to refer the draft law to the Advisory Council. Following the meeting, which was held at the Amiri Diwan, HE the Minister of Justice and Acting Minister of State for Cabinet Affairs, Issa Saad Al-Jafali Al-Nuaimi stated that under the provisions of the draft law, the company's concession will be extended for a period of five years starting from June 18, 2018. (Gulf-Times.com)
- **KCBK's board meets to discuss the financial statements ended December 31, 2018 on January 20, 2019** – Al Khalij Commercial Bank (KCBK) announced that its board of directors will meet on January 20, 2019 to discuss the bank's 2018 financial results and the profit distribution. (QSE)
- **NLCS' board meets to discuss the financial statements ended December 31, 2018 on January 24, 2019** – Aljarah Holding (NLCS) announced that its board of directors will meet on January 24, 2019 to discuss the company's 2018 financial results and the profit distribution. (QSE)
- **QIGD's board meets to discuss the financial statements ended December 31, 2018 on January 30, 2019** – Qatari Investors Group (QIGD) announced that its board of directors will meet on January 30, 2019 to discuss the company's 2018 financial results and the profit distribution. (QSE)
- **QIIK postpones disclosure of the financial statements ended December 31, 2018 to January 27, 2019** – Qatar International Islamic Bank (QIIK) announced that the bank will postpone board meeting from January 22, 2019 to January 27, 2019 to discuss and adopt financials for the period ended December 31, 2018. (QSE)

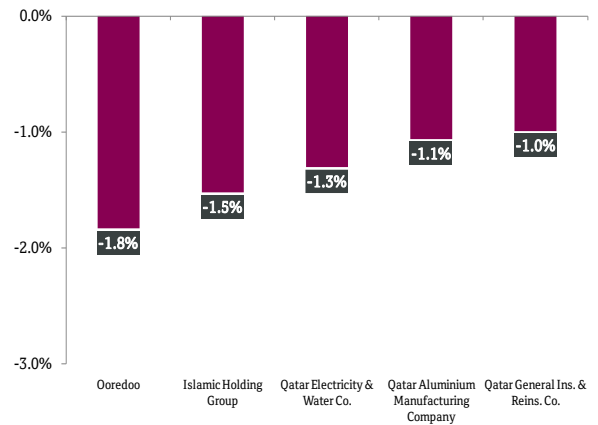
Qatar Stock Exchange

Top Gainers



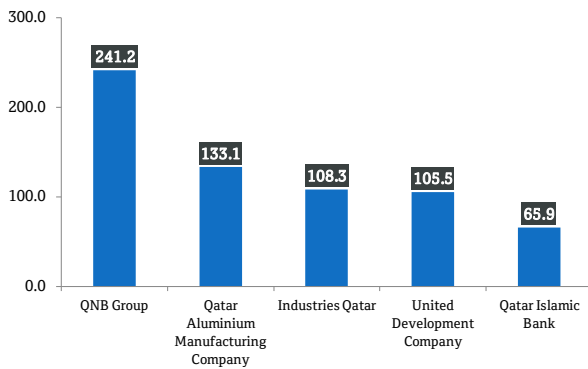
Source: Qatar Stock Exchange (QSE)

Top Decliners



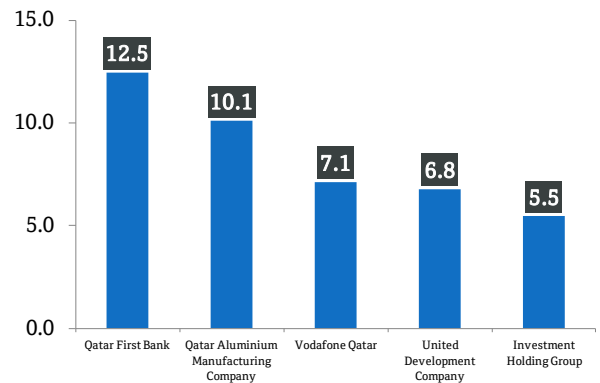
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



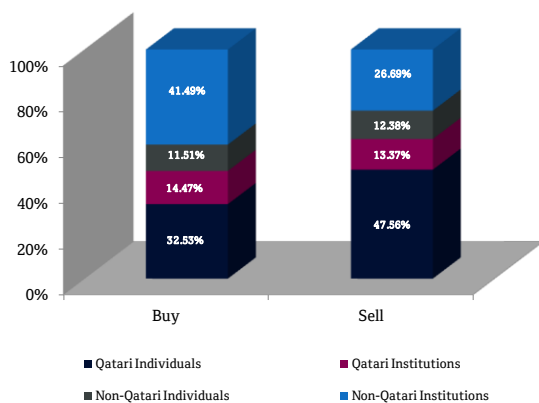
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



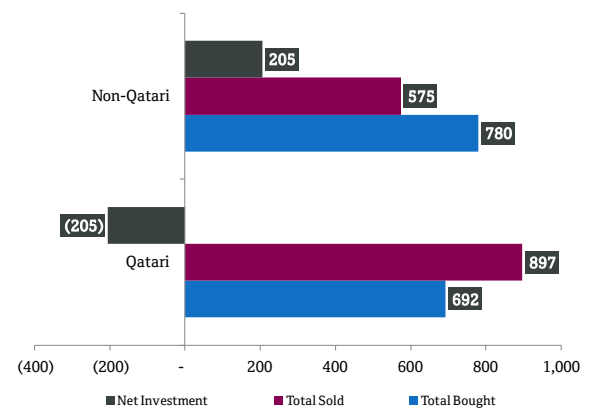
Source: Qatar Stock Exchange (QSE)

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 General Index closed higher by 2.97% from last week and closed at 10,658.22 points. It has been moving towards the 11,000 resistance level. We remind our readers that the rising-wedge price formation would become an issue if it is breached downwards. We update our expected weekly support level to 10,000 points, but we keep the resistance at the 11,000 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 10	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	197.50	2.15	1.28	182,419	14.2	2.8	3.0
Qatar Islamic Bank	159.00	3.31	4.61	37,571	15.4	2.5	3.1
Commercial Bank of Qatar	42.00	5.32	6.63	16,998	12.5	1.1	2.4
Doha Bank	22.17	0.82	(0.14)	6,874	11.9	0.8	13.5
Al Ahli Bank	27.80	(0.89)	(0.71)	5,848	8.8	1.1	3.4
Qatar International Islamic Bank	68.89	3.44	4.19	10,428	12.0	1.8	5.8
Masraf Al Rayan	41.90	(0.12)	0.53	31,425	15.0	2.4	4.8
Al Khaliji Bank	11.66	1.83	1.04	4,198	8.2	0.8	6.4
Qatar First Bank	4.54	11.82	11.27	908	N/M	0.9	N/M
National Leasing	9.19	3.14	4.55	455	16.2	0.5	5.4
Dlala Holding	10.23	2.51	2.30	291	N/M	1.4	N/M
Qatar & Oman Investment	5.80	10.27	8.61	183	43.9	0.6	8.6
Islamic Holding Group	22.75	(1.52)	4.12	129	N/M	0.9	N/M
Banking and Financial Services				297,726			
Zad Holding	107.00	1.42	2.88	1,540	13.1	1.7	5.5
Qatar German Co. for Medical Devices	6.68	25.33	18.02	77	N/M	1.6	N/M
Salam International Investment	5.02	15.67	15.94	574	N/M	0.4	N/M
Medicare Group	64.59	3.26	2.36	1,818	21.5	1.9	2.8
Qatar Cinema & Film Distribution	19.02	0.00	0.00	119	17.8	0.9	5.3
Qatar Fuel	174.80	5.37	5.31	17,380	15.2	2.4	4.6
Qatar Meat and Livestock	71.00	2.72	1.43	1,278	11.9	3.7	6.0
Mannai Corp.	57.44	0.79	4.53	2,620	5.8	1.0	7.0
Al Meera Consumer Goods	147.60	(0.54)	(0.27)	2,952	16.5	2.2	5.8
Consumer Goods and Services				28,358			
Qatar Industrial Manufacturing	43.00	1.42	0.70	2,043	9.6	1.3	7.0
Qatar National Cement	61.80	2.78	3.87	4,039	13.3	1.3	7.3
Industries Qatar	143.50	7.20	7.40	86,818	18.1	2.5	3.5
Qatari Investors Group	29.45	5.25	5.90	3,661	15.5	1.3	2.5
Qatar Electricity and Water	182.99	(1.30)	(1.09)	20,129	13.8	1.9	4.2
Aamal	9.76	7.14	10.41	6,149	12.8	0.8	6.1
Gulf International Services	17.23	1.41	1.35	3,202	31.4	0.9	N/A
Mesaieed Petrochemical Holding	15.51	1.24	3.19	19,485	14.9	1.3	4.5
Investment Holding Group	5.58	16.74	14.11	463	11.2	0.5	4.5
Qatar Aluminum Manufacturing	13.05	(1.06)	(2.25)	7,282	N/A	N/A	N/A
Industrials				153,272			
Qatar Insurance	39.50	6.35	10.03	12,597	25.5	1.6	3.3
Doha Insurance	12.94	6.68	(1.15)	647	15.1	0.6	5.8
Qatar General Insurance & Reinsurance	50.00	(0.99)	11.41	4,375	12.8	0.7	4.4
Al Khaleej Takaful Insurance	9.00	4.65	4.77	230	31.7	0.4	5.6
Qatar Islamic Insurance	55.00	2.38	2.40	825	11.9	2.3	6.3
Insurance				18,674			
United Development	15.88	4.89	7.66	5,623	11.5	0.5	7.9
Barwa Real Estate	39.67	(0.58)	(0.60)	15,437	9.9	0.8	6.3
Ezdan Real Estate	15.00	13.64	15.56	39,787	52.1	1.3	N/M
Mazaya Qatar Real Estate Development	7.92	2.86	1.54	917	28.1	0.6	N/M
Real Estate				61,764			
Ooredoo	75.59	(1.83)	0.79	24,213	16.1	1.1	4.6
Vodafone Qatar	8.29	5.07	6.15	7,008	N/M	1.5	N/M
Telecoms				31,221			
Qatar Navigation (Milaha)	68.01	1.96	3.03	7,789	15.2	0.5	5.1
Gulf Warehousing	41.00	4.06	6.58	2,403	10.4	1.4	4.1
Qatar Gas Transport (Nakilat)	18.50	3.35	3.18	10,249	11.4	1.5	5.4
Transportation				20,441			
Qatar Exchange				611,455			

Source: Bloomberg

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