

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index increased 373.33 points or 3.89% during the trading week to close at 9,981.22 during the trading week. Market capitalization increased by 5.1% to QR550.5 billion (bn) versus QR523.8bn at the end of the previous trading week. Of the 45 listed companies, 26 companies ended the week higher, while 16 declined and 3 remained unchanged. Ezdan Holding Group (ERES) was the best performing stock for the week with a gain of a whopping 23.0% on 5.2 million (mn) shares traded. On the other and, Al Khaleej Takaful Insurance (AKHI) was the worst performing stock for the week with a decline of 4.6% on 501,199 shares traded.

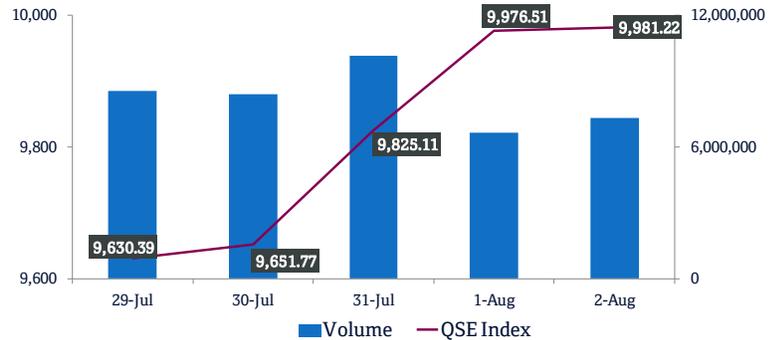
QNB Group (QNBK), Qatar Islamic Bank (QIBK) and Industries Qatar (IQCD) were the primary contributors to the weekly index gains. QNBK was the biggest contributor to the index's weekly increase, adding 138.9 points to the index. QIBK was the second biggest contributor to the mentioned gains, tacking on 71.8 points to the index. Moreover, IQCD contributed 46.9 points to the index. However, Ooredoo (ORDS) deleted 21.8 points from the index.

Trading value during the week increased by 25.8% to QR1.2bn versus QR967.0mn in the prior week. The Banks and Financial Services sector led the trading value during the week, accounting for 46.2% of the total trading value. The Industrial sector was the second biggest contributor to the overall trading value, accounting for 16.1% of the total trading value. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR239.1mn.

Trading volume increased by 31.7% to reach 41.0mn shares versus 31.2mn shares in the prior week. The number of transactions increased by 21.6% to reach 18,711 transactions versus 15,383 transactions in the prior week. The Banks and Financial Services sector led the trading volume, accounting for 29.4%, followed by the Real Estate sector which accounted for 22.6% of the overall trading volume. Qatar Gas Transport Co. (QGTS) was the top volume traded stock during the week with 6.1mn shares.

Foreign institutions remained bullish with net buying of QR203.0mn vs. net buying of QR176.8mn in the prior week. Qatari institutions turned bearish with net selling of QR88.3mn vs. net buying of QR19.7mn in the week before. Foreign retail investors remained bearish with net selling of QR26.5mn vs. net selling of QR18.0mn in the prior week. Qatari retail investors remained bearish with net selling of QR88.2mn vs. net selling of QR178.4mn the week before. Foreign institutions bought (net basis) ~\$1.5bn worth of Qatari equities YTD.

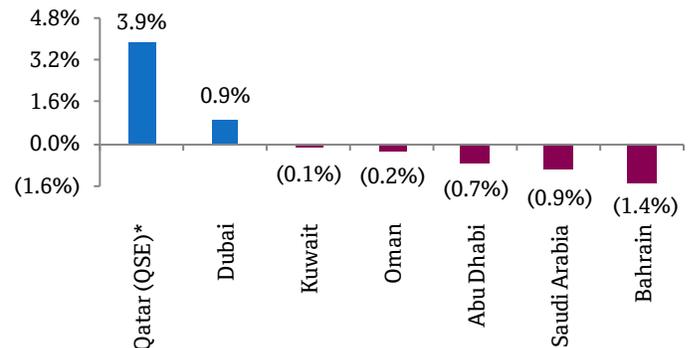
QSE Index and Volume



Market Indicators	Week ended Aug 02, 2018	Week ended Jul 26, 2018	Chg. %
Value Traded (QR mn)	1,216.9	967.0	25.8
Exch. Market Cap. (QR mn)	550,539.5	523,788.7	5.1
Volume (mn)	41.1	31.2	31.7
Number of Transactions	18,711	15,383	21.6
Companies Traded	44	45	(2.2)
Market Breadth	26:16	30:12	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	17,585.80	3.9	1.6	23.0
ALL Share Index	2,913.96	5.3	2.3	18.8
Banks and Financial Services	3,593.21	6.5	2.1	34.0
Industrials	3,199.86	2.7	1.0	22.1
Transportation	2,017.85	2.8	0.5	14.1
Real Estate	1,843.32	12.9	7.7	(3.8)
Insurance	3,213.00	5.4	3.2	(7.7)
Telecoms	1,008.62	(3.5)	(0.1)	(8.2)
Consumer Goods & Services	6,301.50	(0.5)	0.1	27.0
Al Rayan Islamic Index	3,910.46	2.1	1.3	14.3

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)*	9,981.22	3.9	1.6	17.1	335.33	151,178.1	15.1	1.5	4.4
Dubai	2,973.94	0.9	0.6	(11.8)	210.90	104,837.6*	9.4	1.1	5.7
Abu Dhabi	4,811.42	(0.7)	(1.0)	9.4	188.96	132,249.7	12.6	1.4	5.0
Saudi Arabia*	8,288.98	(0.9)	(0.1)	14.7	4,714.60	525,096.3	17.8	1.9	3.2
Kuwait	4,946.19	(0.1)	0.3	2.4	365.32	34,144.0	15.4	0.9	4.0
Oman	4,326.67	(0.2)	(0.2)	(15.2)	20.45	18,500.4	10.5	0.9	6.3
Bahrain	1,349.17	(1.4)	(0.7)	1.3	38.98	20,769.2	8.5	0.9	6.1

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; # Data as of August 01, 2018)

Economic & Market News

- S&P affirms Qatar ratings at 'AA-/A-1+' –** Global credit rating agency Standard & Poor's (S&P) affirmed its 'AA-/A-1+' long and short-term foreign and local currency sovereign ratings on Qatar. S&P stated the ratings affirmation reflects its expectation that the authorities will continue to actively manage the boycott while preserving Qatar's core rating strengths, including its strong public sector balance sheet. The government has taken measures to ease the immediate economic and financial effects of the boycott. In particular, it has established new trade routes through other countries in the region, resulting in a recovery in imports. The fall in non-resident deposits and inter-bank placements has been offset by liquidity injections by Qatar Central Bank (QCB) and repatriation into the domestic banking sector of about \$40bn (24% of GDP) of public sector assets (mostly Qatar Investment Authority), previously held abroad. "The deposit outflows have stabilized to a manageable level since November 2017. This somewhat reduces the likelihood that the banks would need substantial additional government support. Qatar may see further nonresident deposit outflows as they mature, which we expect would be manageable. We expect Qatar's liquid external assets to continue to offset the country's stock of debt by a reasonable margin. However, Qatar's gross external financing needs remain sizeable, owing to the share of short-term external funding in Qatar's large banking system," S&P noted. (Gulf-Times.com)
- Fitch: Sector-wide government support for Qatari banks again in –** The Qatari authorities' propensity to support domestic banks was again evidenced in 2017 with a cumulative \$40bn deposit injection (June-December) in the banking system, Fitch Ratings (Fitch) stated. The Long-Term Issuer Default Ratings of all nine Fitch-rated Qatari banks are driven by an extremely high probability of support from the Qatari authorities, if needed. This reflects Qatar's strong ability to support its banks, as indicated by its rating ('AA-' /Stable), combined with Fitch's belief that there would be a strong willingness to do so. Qatar enjoys a strong balance sheet and substantial holdings of foreign reserves, together resulting in sovereign net foreign assets of an estimated 141% of GDP in 2017. This is still sufficient to finance two decades of fiscal deficits. After easing in 1H2017, liquidity pressures re-emerged with the embargo on Qatar in June 2017 by Saudi Arabia and the UAE. Funding costs have risen by 20bp to 30bp as a result. The embargo has also reduced economic growth and pressured the real estate, contracting and hospitality sectors, to which Qatari banks are largely exposed. Banks' funding costs have increased since 2017 due to rising rates and the political GCC dispute. Banks have offset this pressure on profitability metrics by repricing their loan books and net interest margins have been kept almost flat. Banks have also managed their cost bases well and loan impairment charges have remained low, maintaining their overall profitability at levels that compare well with GCC peers. (Bloomberg)
- Qatar's industrial sector PPI jumps in June 2018 –** The Ministry of Development Planning and Statistics (MDPS) released the monthly Producer Price Index (PPI) of the industrial sector for June 2018, with the base year 2013. Producer Price Index covers goods relating to mining (weight: 72.7%), manufacturing (weight: 26.8%), and electricity & water (weight: 0.5%). In the mining group, the PPI of June 2018, showed an increase of 3.6% when compared with PPI of May 2018, primarily due to the increase of prices of crude petroleum and natural gas with 3.6%. PPI of June 2018, when compared with the same period in the previous year, there has been a considerable increase of 41.1%. The overall index (PPI of industrial sector), the PPI for June 2018 is estimated at 70.4 points, showing an increase by 4.0%, when compared to the previous month, May 2018. On YoY basis, the PPI of June 2018 showed a rise of 35.6% when compared to the PPI of June 2017. (Gulf-Times.com)
- Qatar retains position as world's top LNG exporter –** Qatar has retained the crown of world's largest exporter of Liquefied Natural Gas (LNG) in 2017. The country exported 81mn tons (MT) last year, enabling it to remain market leader with a share of 27.6% in the global LNG trade, noted the '2018 World LNG Report' released by International Gas Union. Qatar was much ahead of its competitors with a wide margin. Australia was the second-largest exporter with export of 56.2MT and market share of 19.2% while Malaysia exported 26.4MT with a share of 9%. Nigeria was on the fourth place followed by Indonesia and the US. (Peninsula Qatar)
- Qatari banks' total assets grow by QR54.3bn in June –** Qatari banks' assets (and liabilities) increased by QR54.3bn to QR1.39tn by the end of June 2018, compared to QR1.34tn by the end of May, and 6.6% higher than a year earlier. Government and public sector deposits have increased by QR25.5bn to QR313.3bn. Government deposits recorded QR79.5bn, and Government Institutions made QR187.4bn, while the deposits of Semi-Government Institutions, in which government share is less than 100% and more than 50%, stood at QR28.5bn, The Group Securities noted in its reading of Qatar banks' consolidated balance sheet figures for the month of June 2018. On the other hand, the total loans of the government and public sector increased by QR27.4bn to reach QR330.8bn. A breakdown showed the total loans of the government sector stood at QR163.4bn, down by QR15.5bn from the previous month as government institutions' loans increased by QR0.2bn to QR147.1bn. The loans availed by the semi-governmental institutions stood almost flat at QR20.3bn. Figures suggest that the balance of government bonds and bills increased by QR5bn to QR153.3bn. As a result, the total domestic public debt (government, government institutions and semi-government institutions) as well as bonds, bills and Sukuk climbed by QR22.3bn to QR484bn. The total domestic private sector deposits at local banks decreased by about QR3.3bn to QR342.9bn, by the end of June. Total domestic loans and credit facilities provided by banks to the local private sector increased by QR11.4bn to QR499.4bn. (Peninsula Qatar)
- Qatar Islamic Insurance Company changes its name to 'The Group Islamic Insurance Company' –** Qatar Islamic Insurance Company, one of the leading Takaful insurance companies in Qatar and the world has changed its name to 'The Group Islamic Insurance Company'. According to a regulatory filing

with the Qatar Stock Exchange, the Shari'ah-compliant insurance services provider announced that its Board of Directors have management received approval from Qatar Central Bank (QCB), the insurance market regulator, to change company name from Qatar Islamic Insurance Company to The Group Islamic Insurance Company and establish real estate company owned 100% for the group. In its meeting held recently, the Board of Directors approved to change the name of the company and the continuation of the necessary procedures and raise recommendation to the EGM to amend the Articles of Association of the company in accordance with the regulations and instructions regulating it. (Peninsula Qatar)

- **Doha Bank sees marginal reduction in 2018 profit-growth target** – Doha Bank expects a marginal reduction in its profit-growth target this year and looking at its dividend policy as the lender takes additional provisions amid a regional standoff, according to Doha Bank's CEO, Raghavan Seetharaman. Seetharaman said, "Our regression in terms of profitability is a conscious decision. Maybe one or two quarters we have to beef up the provisions and there will be a moderate reduction in terms of profitability." The bank is also rethinking its dividend payout policy as it seeks to adapt after neighboring Gulf states cut diplomatic relations and closed transport routes with the country in June last year. "All options are open. Temporary dislocation in terms of profitability can be realigned. We can get back to sustainability in the coming years," Seetharaman said. (Bloomberg)
- **MRDS to disclose its semi-annual financials on August 13** – Mazaya Qatar Real Estate Development (MRDS) announced that it will disclose its semi-annual financial reports for the period ending June 30, 2018 on August 13, 2018. (QSE)
- **Qatar's trade surplus up 44.5% in June** – Qatar's trade surplus increased by QR5.5bn or 44.5% to reach QR18bn YoY in June 2018, and 21.0% growth or QR3.1bn MoM, according to official figures. The preliminary report on foreign trade statistics for June 2018, issued monthly by the Ministry of Development Planning and Statistics, noted that the total value of Qatari exports, including exports of local origin and re-exports, last month amounted to QR26.9bn, up 46.3% YoY, and 8.3% higher MoM. The value of commodity imports in June 2018 stood QR8.9bn or 50.1% higher compared to June 2017, and decreased by 10.5% compared to May 2018. In comparison to June 2017, the value of exports of other oil and hydrocarbon gases' increased to about QR15.6bn (31.0%). The value of oil and crude oil mineral raw materials exports rose to about QR5.1bn or 107.7%. The value of oil and oils obtained from non-ferrous mineral raw materials exports rose to about QR2.6bn or 160.6%. (Gulf-Times.com)
- **QNNS' net profit rises 20.2% YoY but declines 85.6% QoQ in 2Q2018 exacerbated by impairments; misses our estimate** – Qatar Navigation's (QNNS) net profit rose 20.2% YoY to QR37.36mn in 2Q2018; however, on QoQ basis net profit declined 85.6%. Milaha recorded QR99.61mn in impairments of vessels and capital WIP and adjusting for this item, 2Q2018 would have been QR136.97mn, missing our estimate of QR204.43mn (variation of -33.0%). The company's operating revenue came in at QR555.87mn in 2Q2018, which represents an increase of 11.7% YoY. However, on QoQ basis operating

revenue declined 20.3%. EPS amounted to QR2.62 in 1H2018 as compared to QR2.35 in 1H2017. In 1H2018, QNNS reported more than 11% increase YoY in net profit to QR297mn, powered by its maritime and logistics, offshore as well as capital units. The operating revenues grew 9% to QR1.25bn and operating profits jumped 51% to QR258mn. Milaha Maritime and Logistics' revenue grew QR82mn and net profit by QR36mn on the back of higher volumes at Hamad Port and new shipping routes in the container shipping unit. Milaha Capital's profits expanded QR138mn, largely due to improved returns from the financial investments portfolio. Although Milaha Gas and Petrochem's operating profit increased QR5mn; vessel impairments drove overall net profit lower by QR145mn, according to the company's spokesman. Milaha Offshore's bottom line increased by QR9mn due to increase in vessel utilization rates and overall improvement in the offshore sector. However, the trading division saw net profit decline QR9mn owing to lower heavy equipment sales. (QNBFS Research, QSE, Gulf-Times.com)

- **ORDS' net profit declines 60.4% YoY and 58.3% QoQ to QR202.87mn in 2Q2018** – Ooredoo's (ORDS) net profit declined 60.4% YoY (-58.3% QoQ) to QR202.87mn in 2Q2018. The company's revenue came in at QR7,521.54mn in 2Q2018, which represents a decrease of 8.4% YoY (-3.1% QoQ). EPS amounted to QR0.63 in 2Q2018 as compared to QR1.60 in 2Q2017 and QR1.52 in 1Q2018. In 1H2018, ORDS reported QR15.3bn revenue, driven by strong contributions from Qatar, Iraq, Oman, Kuwait, Tunisia, and Myanmar offset by reductions in Indonesia and Algeria. Group revenue decreased by 6% YoY, while group EBITDA stood at QR6.2bn with a corresponding EBITDA margin of 41%. Group EBITDA decreased by 10% YoY mainly due to lower revenue. Net profit attributable to Ooredoo shareholders stood at QR689mn. The positive performances in Iraq and Oman were offset by market challenges and lower revenue in Indonesia and Algeria, as well as a substantial foreign exchange (FX) loss in Myanmar. Pre-FX decrease was 18% compared to the reported 37%. The group's customer numbers stood at 130mn, negatively impacted by the new SIM card registration requirements by the Indonesian regulator, while increased monetization of data business, with significant data growth coming from consumer and enterprise customers, saw data revenue increasing to 45% of group revenue. Revenue from data contributed almost QR7bn in 1H2018. Ooredoo Group's CEO, Sheikh Saud Bin Nasser Al Thani said, "4G networks are now available in eight of our ten markets. In Qatar, we launched the world's first 5G network. We defended our market leadership position in our domestic market as well as in Tunisia and Iraq. Our focus on efficiencies resulted in a sequential improvement of our margins." (QSE, Company Release, Gulf-Times.com)
- **QFLS' net profit rises 2.8% YoY but declines 32.9% QoQ in 2Q2018** – Qatar Fuel Company's (QFLS) net profit rose 2.8% YoY to QR202.04mn in 2Q2018; however, on QoQ basis net profit declined 32.9%. Revenue came in at QR5,637.81mn in 2Q2018, which represents an increase of 33.3% YoY (+10.6% QoQ). Decline in profits QoQ were driven by direct costs with gross margins shrinking from 7.1% in 2Q2017 and 6.1% in 1Q2018 to 4.5% in 2Q2018. EPS amounted to QR5.06 in 1H2018 as compared to QR3.75 in 1H2017. In 1H2018, QFLS reported

QR503mn net profit (excluding minority rights), up 35% or QR130mn, compared to the QR373mn recorded in the same period in 2017. The increase in net profits in 1H2018 was attributed to the optimum utilization of company-owned infrastructure projects and means of logistic supports comprising vessels, storage tanks, tanker trucks, and other facilities, said Al Muhannadi, Woqod's chairman, who further stressed that the efficient management of investments enabled the company to achieve significant growth in investment revenues. He noted that the operational costs and expenses were significantly reduced during the first half of 2018, resulting in additional income worth QR72mn. According to Al Muhannadi, sales volumes grew for most of the products; the average increase in the total sales volumes of petroleum products was 1.1% in comparison with the first half of 2017. He said jet fuel increased by 9.2%, bitumen (65.7%), LPG gas (13.6%), and sales volumes for HFO increased by 100% as compared to same period last year. Retail sales volumes of petroleum products increased by 13.2%, while non-oil retail revenue, including Sidra Stores grew by 7.2%. He also noted that Fahes revenues increased by 15.6% compared to the first half of 2017. (QSE, Gulf-Times.com)

- QFBQ reports net loss of QR325.23mn in 2Q2018** – Qatar First Bank (QFBQ) reported net loss of QR325.23mn in 2Q2018 as compared to QR67.11mn in 2Q2017 and QR28.64mn in 1Q2018. The increase in net loss was primarily attributable to loss on re-measurement of investments at fair value through income statement of QR290.71 in 2Q2018 vs. QR 20.77mn in 2Q2017. The company's total income came in at a loss of QR161.49mn as compared to an income of QR63.31mn in 2Q2017 and profits of QR92.37mn in 1Q2018. The company's revenue from non-banking activities came in at QR90.23mn in 2Q2018, which represents a decrease of 2.1% YoY. However, on QoQ basis revenue from non-banking activities rose 7.9%. QFBQ's total assets stood at QR4.27bn at the end of June 30, 2018, down 24.4% YoY (-11.6% QoQ). Financing assets were QR1.35bn, registering a fell by 10.8% YoY (-8.2% QoQ) at the end of June 30, 2018. Financing liabilities rose 48.3% YoY and 11.9% QoQ to reach QR0.87bn at the end of June 30, 2018. Loss per share amounted to QR1.63 in 2Q2018 as compared to QR0.33 in 2Q2017 and QR0.14 in 1Q2018. QFBQ stated it will strengthen its expansion strategy and generate sound returns for stakeholders amid mixed signals in the regional economy. "We envision that regional economies will remain showing mix signals; however, we will continue to push ahead with our expansion strategy into banking and adopt an opportunistic outlook to source viable investment opportunities and generate sound returns for our clients and shareholders," stated QFBQ, which, however, reported a net losses of QR354mn in the first six months of this year. The lender recorded unrealized losses associated with the value of its proprietary investment portfolio. These losses are mainly driven by Turkish assets and worsening macroeconomic conditions. However, in line with the bank's new strategy, it is currently actively exploring avenues of exit to dispose some of its assets with the proceeds earmarked for the development and expansion of the bank's new product offering. A bank spokesman said the cost rationalization plan, which started in 2016, was able to reduce staff and other operating costs by

34% and 17% YoY respectively during the first half of 2018. (QSE, Gulf-Times.com)

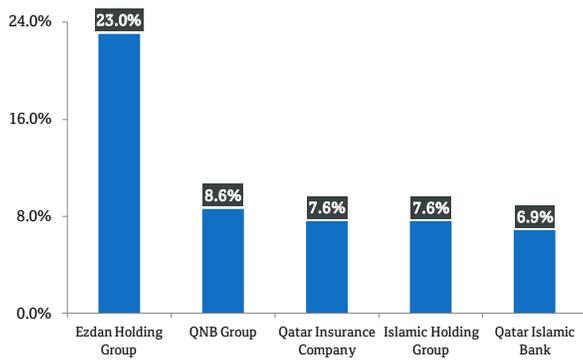
- QISI posts 34.8% YoY increase but 22.1% QoQ decline in net profit in 2Q2018** – Qatar Islamic Insurance Company's (QISI) net profit rose 34.8% YoY to QR18.0mn in 2Q2018. However, on QoQ basis net profit declined 22.1%. The company's gross income came in at QR29.11mn in 2Q2018, which represents an increase of 26.1% YoY. However, on QoQ basis gross income declined 8.1%. EPS amounted to QR2.74 in 1H2018 as compared to QR2.40 in 1H2017. In 1H2018, QISI reported net profit of QR41.12mn as compared to QR36.07mn for the same period of the previous year. (QSE)
- AKHI's net profit declines 25.3% YoY and 66.9% QoQ in 2Q2018** – Al Khaleej Takaful Insurance Company's (AKHI) net profit declined 25.3% YoY (-66.9% QoQ) to QR1.93mn in 2Q2018. The company's total investment and other income came in at QR10.79mn in 2Q2018, which represents a decrease of 20.7% YoY (-25.7% QoQ). EPS amounted to QR0.08 in 2Q2018 as compared to QR0.1 in 2Q2017 and QR0.23 in 1Q2018. In 1H2018, AKHI reported profit of QR7.76mn as compared to QR16.45mn for the same period of the previous year. (QSE)
- The Commercial Bank provides disclosure relating to National Bank of Oman discussion on the possible merger with Bank Dhofar** – The Commercial Bank holds 34.9% of the shares in National Bank of Oman. The board of directors of National Bank of Oman in its meeting, which was held on July 29, 2018 resolved to commence discussion with Bank Dhofar to explore the possibility of a merger between the two entities, subject to obtaining final approvals from the respective boards, shareholders, stakeholders and regulators. (QSE)
- QGRI reports net loss of QR1.07mn in 2Q2018** – Qatar General Insurance & Reinsurance Company (QGRI) reported a net loss of QR1.07mn in 2Q2018 as compared to a net loss of QR3.36mn in 2Q2017 and net profit of QR55.10mn in 1Q2018. In 1H2018, QGRI's net profit widened to QR54.03mn from QR39.69mn in 1H2017. The company's net earned premiums came in at QR43.65mn in 2Q2018, which represents a decrease of 6.5% YoY (-1.5% QoQ). Loss per share amounted to QR0.01 in 2Q2018 as compared to loss per share of QR0.04 in 2Q2017 and earnings per share of QR0.63 in 1Q2018. (QSE)
- DOHI posts 6.9% YoY increase but 75.3% QoQ decline in net profit in 2Q2018** – Doha Insurance Group's (DOHI) net profit rose 6.9% YoY to QR6.91mn in 2Q2018. However, on a QoQ basis net profit declined 75.3%. In 1H2018, DOHI's net profit widened to QR34.93mn from QR33.96mn for the comparable period of the previous year. The company's net premiums came in at QR72.50mn in 2Q2018, which represents an increase of 23.8% YoY. However, on a QoQ basis, net premiums declined 4.5%. EPS amounted to QR0.70 in 1H2018 as compared to QR0.68 in 1H2017. (QSE)
- SIIS reports net loss of QR4.44mn in 2Q2018** – Salam International Investment Limited (SIIS) reported a net loss of QR4.44mn in 2Q2018 as compared to net losses of QR2.64mn in 2Q2017 and QR8.22mn in 1Q2018. In 1H2018, SIIS reported a net loss of QR12.66mn as compared to net profit of QR17.75mn in 1H2017. The company's operating income came in at QR625.43mn in 2Q2018, which represents a decrease of 18.0%

YoY (-14.0% QoQ). Loss per share amounted to QR0.11 in 1H2018 as compared to earnings per share of QR0.16 in 1H2017. (QSE)

- **AHCS' net profit narrows to circa QR113mn in 2Q2018** – Aamal Company (AHCS) reported net profit of ~QR113mn in 2Q2018 as compared to ~QR126mn in 2Q2017 and QR116mn in 1Q2018. In 1H2018, AHCS reported net profit of QR228.9mn as compared to net profit amounting to QR240.4mn in 1H2017. EPS amounted to QR0.36 in 1H2018 as compared to QR0.38 in 1H2017. (QSE)
- **QIMD's bottom line rises 8.4% YoY and 13.0% QoQ in 2Q2018 driven by fair value gains** – Qatar Industrial Manufacturing Company's (QIMD) net profit rose 8.4% YoY (+13.0% QoQ) to QR57.46mn in 2Q2018. However, FVTPL due to IFRS 9 adoption, drove the gains with QR11.71mn recorded in 2Q2018 vs. nil in the prior periods. Moreover, income from associates or equity-accounted investees (where QIMD's 40% stake in Q-Jet and 29.5% stake in Gasal are recorded) declined 39.4%YoY (up 2.2% QoQ). The company's sales came in at QR89.89mn in 2Q2018, which represents an increase of 0.2% YoY. However, on QoQ basis, sales declined 11.4%. EPS amounted to QR2.28 in 1H2018 as compared to QR2.39 in 1H2017. In 1H2018, QIMD reported net profit of QR108.28mn as compared to QR113.43mn in 1H2017. The decrease in net profit for the first half of this year was on account of low gains from associates, QIMD's spokesman said, adding it is expected that the company will continue to achieve growth in net profit by the end of the year. QIMD sales amounted to QR191.32mn and other income was QR21.26mn, whereas general and administrative costs stood at QR31.90mn. Total assets were valued at QR2.03bn comprising current assets of QR0.31bn and non-current assets of QR1.72bn. (QSE, Gulf-Times.com, QNBFS Research)
- **NLCS' bottom line rises to QR2.71mn in 2Q2018 aided by gains on sales on investments and FVTPL**– Alijarah Holding (NLCS) recorded net profit of QR2.71mn in 2Q2018 as compared to net loss of QR9.68mn in 2Q2017 and net profit of QR1.24mn in 1Q2018. For 1H2018, the company recorded QR18.81mn in gains on sales on investments and FVTPL vs. a negligible amount in 1H2017 (2Q2018 split not available but we expect most of this was recorded in 2Q2018). The company's total income came in at QR46.09mn in 2Q2018, which represents an increase of 66.7% YoY (+13.2% QoQ). Earnings per share amounted to QR0.08 in 1H2018 as compared to loss per share of QR0.18 in 1H2017. (QSE, QNBFS Research)
- **Qatar First Bank sells 20% stake in Memorial Health Group** – Qatar First Bank sold its 20% stake in Turkey's Memorial Health Group to majority shareholder Turgut Aydin and his family, Memorial Health Group stated in a statement. Aydin and his family now own 80% of the shares in the group, it stated, adding that the other 20% share belongs to UK-based Argus Capital. The shares will be transferred after the deal is approved by Turkey's competition authority. (Reuters)

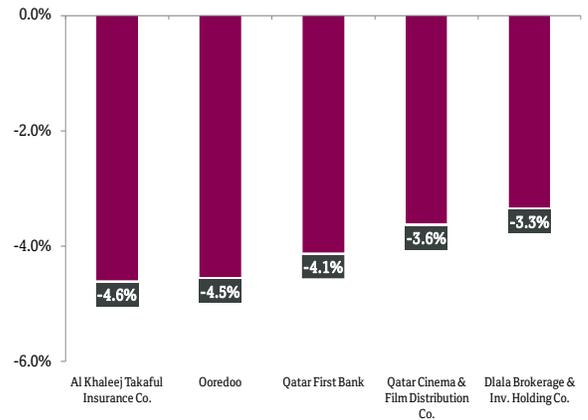
Qatar Stock Exchange

Top Gainers



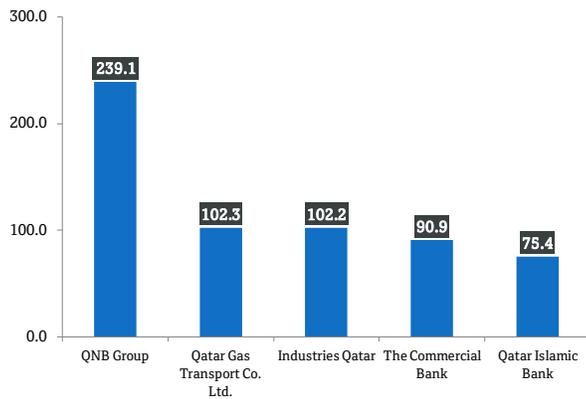
Source: Qatar Stock Exchange (QSE)

Top Decliners



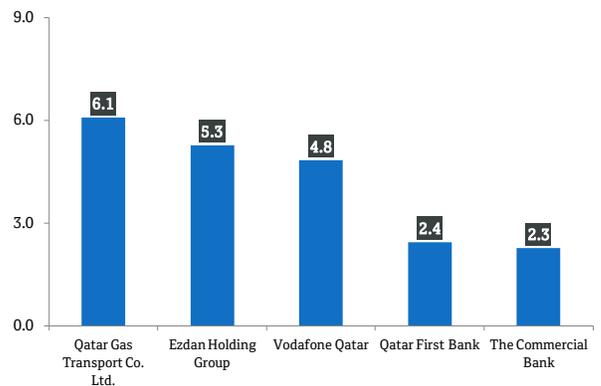
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



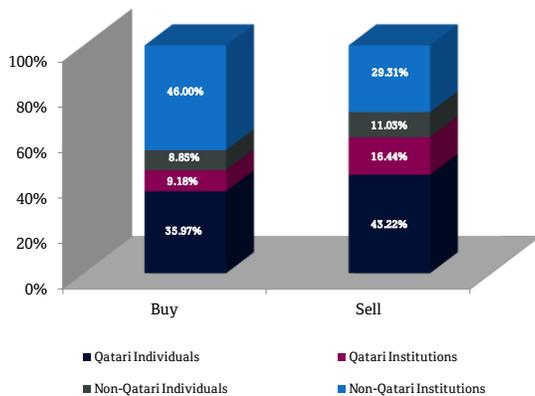
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



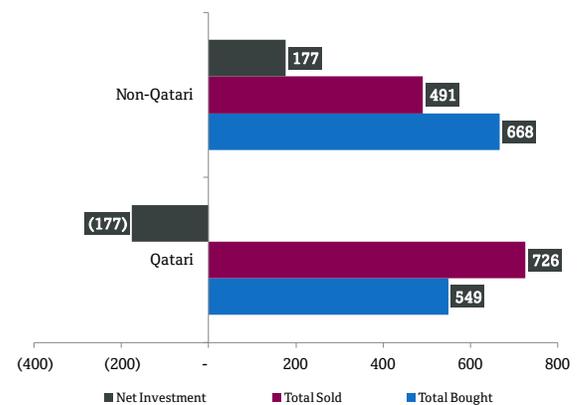
Source: Qatar Stock Exchange (QSE)

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 up for 6th week in a row, this time by 3.89% from the week before while inching closer to the 10,000 critical level. Indicators and recent weekly moves suggests the trend has changed upwards even though corrections may take place while the Index trends upwards.

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 02	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	178.99	8.61	42.04	165,323	12.9	2.5	3.4
Qatar Islamic Bank	136.09	6.85	40.30	32,157	13.6	2.2	3.7
Commercial Bank of Qatar	41.99	6.30	45.29	16,994	16.3	1.1	2.4
Doha Bank	26.37	5.35	(7.47)	8,176	12.2	1.0	11.4
Al Ahli Bank	30.70	(3.15)	(17.32)	6,458	9.8	1.2	3.1
Qatar International Islamic Bank	58.25	2.73	6.68	8,817	10.4	1.6	6.9
Masraf Al Rayan	39.00	2.93	3.31	29,250	14.1	2.4	5.1
Al Khalij Commercial Bank	11.02	(0.27)	(22.39)	3,967	7.8	0.7	6.8
Qatar First Bank	5.13	(4.11)	(21.44)	1,026	N/A	0.9	N/A
National Leasing	9.28	0.00	(13.35)	459	28.5	0.5	5.4
Dlala Holding	14.50	(3.33)	(1.36)	412	76.2	1.8	N/A
Qatar & Oman Investment	6.13	(0.16)	(22.41)	193	45.5	0.7	8.2
Islamic Holding Group	29.05	7.59	(22.53)	165	N/A	1.2	N/A
Banking and Financial Services				273,398			
Zad Holding	90.00	(0.66)	22.22	1,295	11.0	1.6	6.5
Qatar German Co. for Medical Devices	5.17	(0.77)	(19.97)	60	N/A	1.2	N/A
Salam International Investment	5.20	0.00	(24.53)	594	N/A	0.4	N/A
Medicare Group	71.00	(2.07)	1.65	1,998	24.2	2.2	2.5
Qatar Cinema & Film Distribution	16.03	(3.61)	(35.88)	101	13.2	0.7	6.1
Qatar Fuel	145.50	(0.68)	42.56	14,466	13.2	2.1	5.5
Widam Food Co.	69.00	(0.29)	10.40	1,242	10.8	3.8	6.2
Mannai Corp.	50.30	(0.38)	(15.46)	2,295	4.5	0.9	8.0
Al Meera Consumer Goods	162.00	1.25	11.80	3,240	16.5	2.6	5.2
Consumer Goods and Services				25,291			
Qatar Industrial Manufacturing	41.09	0.46	(5.97)	1,953	9.7	12.8	7.3
Qatar National Cement	58.00	1.40	(7.79)	3,790	11.6	1.3	7.8
Industries Qatar	125.00	3.25	28.87	75,625	20.7	2.3	4.0
Qatari Investors Group	32.26	4.06	(11.86)	4,011	16.9	1.5	2.3
Qatar Electricity and Water	194.98	3.22	9.54	21,448	13.3	2.2	4.0
Aamal	10.14	0.40	16.82	6,388	13.1	0.8	5.9
Gulf International Services	17.16	0.06	(3.05)	3,189	40.3	0.9	N/A
Mesaieed Petrochemical Holding	15.89	2.98	26.21	19,963	16.3	1.4	4.4
Invesment Holding Group	5.45	1.49	(10.66)	452	10.6	0.5	10.1
Industrials				136,819			
Qatar Insurance	37.88	7.61	(16.24)	12,080	60.0	1.6	3.4
Doha Insurance	13.40	4.69	(4.29)	670	15.5	0.7	5.6
Qatar General Insurance & Reinsurance	50.00	0.00	2.04	4,375	13.6	0.7	4.4
Al Khaleej Takaful Insurance	10.59	(4.59)	(20.02)	270	43.9	0.5	4.7
Qatar Islamic Insurance	55.25	6.05	0.51	829	12.4	2.4	6.3
Insurance				18,225			
United Development	13.96	0.43	(2.92)	4,943	9.6	0.5	9.0
Barwa Real Estate	37.10	2.06	15.94	14,437	9.1	0.8	6.7
Ezdan Real Estate	10.20	23.04	(15.56)	27,055	27.7	0.9	N/A
Mazaya Qatar Real Estate Development	7.25	1.54	(19.44)	839	51.3	0.6	N/A
Real Estate				47,274			
Ooredoo	70.00	(4.54)	(22.87)	22,422	14.4	1.0	5.0
Vodafone Qatar	9.18	(1.92)	14.46	7,761	N/A	1.7	N/A
Telecoms				30,183			
Qatar Navigation (Milaha)	65.30	0.31	16.73	7,478	14.8	0.5	5.4
Gulf Warehousing	41.85	(0.12)	(4.86)	2,453	10.8	1.5	4.1
Qatar Gas Transport (Nakilat)	17.00	5.52	5.59	9,418	10.7	1.5	5.9
Transportation				19,349			
Qatar Exchange				550,539			

Source: Bloomberg

Contacts

Saugata Sarkar, CFA, CAIA

Head of Research

Tel: (+974) 4476 6534

saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

Tel: (+974) 4476 6509

shahan.keushgerian@qnbfs.com.qa

Zaid al-Nafoosi , CMT, CFTe

Senior Research Analyst

Tel: (+974) 4476 6535

zaid.alnafoosi@qnbfs.com.qa

QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

PO Box 24025

Doha, Qatar

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