

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index declined 40.95 points or 0.41% during the trading week to close at 9,861.53. Market capitalization decreased by 0.4% to QR551.7 billion (bn) versus QR553.7bn at the end of the previous trading week. Of the 45 listed companies, 15 companies ended the week higher, while 27 declined and 3 remained unchanged. Dlala Brokerage & Investment Holding Co. (DBIS) was the best performing stock for the week with a gain of 5.5% on 182,646 shares traded. On the other hand, Ahli Bank (ABQK) was the worst performing stock for the week with a decline of 7.8% on 150 shares traded only.

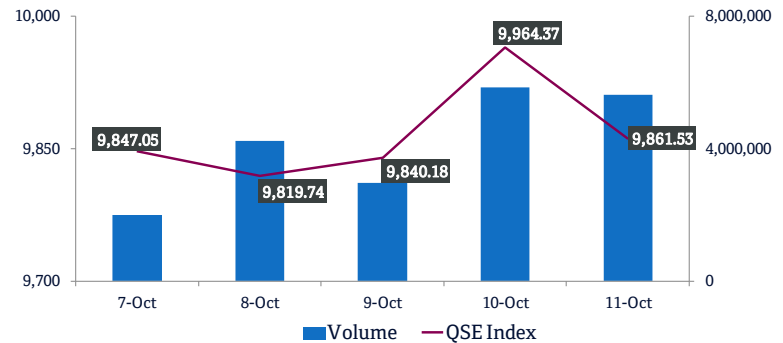
Commercial Bank of Qatar (CBQK), Qatar Islamic Bank (QIBK) and Nakilat (QGTS) were the primary contributors to the weekly index loss. CBQK was the biggest contributor to the index's weekly loss, deleting 24.9 points from the index. QIBK was the second biggest contributor to the mentioned decline, erasing 9.6 points from the index. Moreover, QGTS removed 8.4 points from the index. On the other hand, Barwa Real Estate Co. (BRES) added 16.0 points to the index.

Trading value during the week decreased by 27.8% to QR744.3 million (mn) versus QR1.0bn 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. The Industrials sector was the second biggest contributor to the overall trading value, accounting for 23.3% of the total trading value. QNB Group (QNBK) was the top value traded stock during the week with total traded value of QR118.5mn.

Trading volume decreased by 27.7% to reach 20.7mn shares versus 28.6mn shares in the prior week. The number of transactions decreased by 14.8% to reach 12,655 transactions versus 14,861 transactions in the prior week. The Banks and Financial Services sector led the trading volume, accounting for 28.2%, followed by the Industrials sector which accounted for 21.1% of the overall trading volume. QGTS was the top volume traded stock during the week with 2.6mn shares.

Foreign institutions remained bullish with net buying of QR68.0mn vs. net buying of QR121.2mn in the prior week. Qatari institutions remained bearish with net selling of QR32.8mn vs. net selling of QR17.8mn in the week before. Foreign retail investors remained bearish with net selling of QR7.1mn vs. net selling of QR7.1mn in the prior week. Qatari retail investors remained bearish with net selling of QR28.1mn vs. net selling of QR96.3mn the week before. Foreign institutions bought (net basis) ~\$1.92bn worth of Qatari equities YTD.

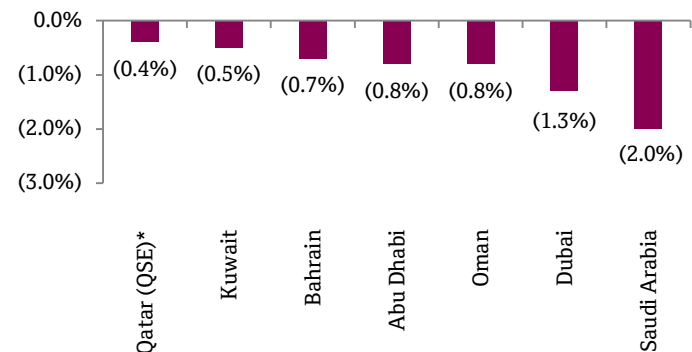
QSE Index and Volume



Market Indicators	Week ended Oct 11, 2018	Week ended Oct 04, 2018	Chg. %
Value Traded (QR mn)	744.3	1,030.9	(27.8)
Exch. Market Cap. (QR mn)	551,660.8	553,667.8	(0.4)
Volume (mn)	20.7	28.6	(27.7)
Number of Transactions	12,655	14,861	(14.8)
Companies Traded	43	45	(4.4)
Market Breadth	15:27	20:21	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	17,374.91	(0.4)	0.5	21.6
ALL Share Index	2,910.00	(0.3)	0.8	18.7
Banks and Financial Services	3,531.84	(0.8)	0.3	31.7
Industrials	3,250.42	(0.1)	1.0	24.1
Transportation	2,068.04	(1.2)	1.6	17.0
Real Estate	1,846.06	0.8	3.2	(3.6)
Insurance	3,117.51	(0.7)	(1.5)	(10.4)
Telecoms	965.13	0.1	(1.3)	(12.2)
Consumer Goods & Services	6,892.99	0.6	0.8	38.9
Al Rayan Islamic Index	3,807.92	(0.1)	0.5	11.3

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)*	9,861.53	(0.4)	0.5	15.7	699.02	151,486.1	15.3	1.5	4.4
Dubai	2,755.32	(1.3)	(2.8)	(18.2)	236.98	100,186.2*	7.4	1.0	6.2
Abu Dhabi	4,967.77	(0.8)	0.7	12.9	151.97	135,285.0	13.1	1.5	4.8
Saudi Arabia*	7,834.79	(2.0)	(2.1)	8.4	3,600.03	495,345.4	16.5	1.8	3.6
Kuwait	4,718.42	(0.5)	(0.4)	(2.3)	198.51	32,424.9	14.7	0.9	4.4
Oman	4,489.76	(0.8)	(1.2)	(12.0)	14.00	19,308.6	11.1	0.8	6.1
Bahrain	1,316.03	(0.7)	(1.7)	(1.2)	32.09	20,366.8	8.9	0.8	6.2

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; * Data as of October 10, 2018)

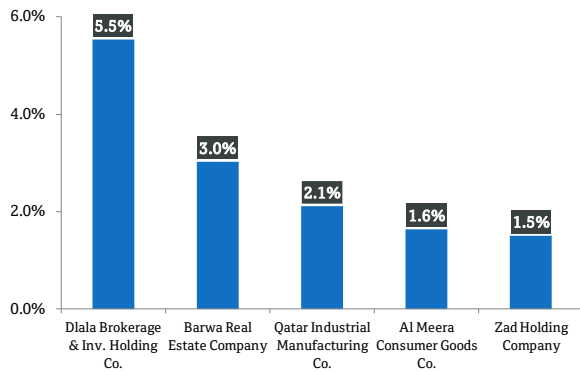
Economic & Market News

- QNBK's net profit rises 6% YoY to QR10.8bn in 9M2018** – QNB Group (QNBK) recorded net profit of QR10.8bn in 9M2018, up 6% compared to the previous year, despite the impact of the Turkish Lira devaluation. Operating Income increased by 8% YoY to QR18.3bn. This reflects QNBK's success in maintaining growth across the range of revenue sources. QNBK's drive for operational efficiency is yielding cost-savings in addition to sustainable revenue generating sources. This helped QNBK to improve the efficiency ratio (cost to income ratio) to 26%, from 29% last year, which is considered one of the best ratios among large financial institutions in the MEA region. Total assets increased by 8% YoY to reach QR853bn at the end of September 30, 2018. The key driver of total assets growth was from loans and advances which grew by 4% to reach QR604bn. This was mainly funded by customer deposits, which increased by 7% to reach QR615bn from September 2017. The growth of QNBK's assets and liabilities has been partly affected by the devaluation in the Turkish Lira. The underlying growth in assets and customer deposits was negatively impacted by 1.1% and 1.3% respectively; despite this, QNBK's strong asset liability management capabilities helped the Group improve its loans to deposits ratio to 98.3% as at September 30, 2018. The ratio of non-performing loans to gross loans amounted to 1.8% as at September 30, 2018, a level considered one of the lowest amongst financial institutions in the MEA region. QNBK's conservative policy in regard to provisioning resulted in the coverage ratio at 106% as at September 30, 2018. Capital Adequacy Ratio (CAR) as at September 30, 2018 amounted to 15.6%, higher than the regulatory minimum requirements of the Qatar Central Bank and Basel Committee. Currency headwinds in its core markets had limited impact on the CAR. On YoY basis, total Equity stabilized at QR77bn as at September 30, 2018. EPS increased 13.7% YoY to QR11.4 in 9M2018 as compared to QR10.7 in 9M2017. Commenting on the Group's performance, CEO Ali Ahmed Al-Kuwari said that QNBK's "sustainable approach to banking is driving good growth in the balance sheet and sound growth in profitability." During the year, Fitch Ratings and Moody's have revised the outlook to 'Stable' due to successful management of the impact from the blockade. Also, QNBK remains the highest-rated bank in Qatar and one of the highest-rated banks in the world from the major rating agencies of Moody's, Standard & Poor's and Fitch Ratings. (QNB Group Press Release)
- Qatar to see bigger spending in next fiscal** – Minister of Finance, HE Ali Shareef Al Emadi announced that the national budget 2019 will see increase in budgetary allocations for capital expenditure and spending in several key sectors, including infrastructure and social sectors. Al Emadi, speaking at a panel discussion with other ministers and dignitaries on the opening day of the first International Products Exhibition and Conference 2018 (IPEC), noted that the moderate rise in the prices of oil & gas has further strengthened Qatar's position, especially in terms of the international balance. Powered by more trade surplus and improved balance of payment position, the government will further expand its developmental activities and continue implementing infrastructure projects, in line with the Qatar National Vision 2030. The Minister stressed the continued focus of the budget on capital expenditure, explaining that spending in general, especially in the health, education and infrastructure projects, will see a rise, and revenues will also see a recovery in 2019. The national budget for 2018 was prepared at an assumed oil price of \$45 per barrel, while prices of oil now hover around \$80 per barrel. Al Emadi said that the growth in Qatar is largely driven by the performance of the private sector, where the growth rate reached more than 4%, which exceeded the official expectations, adding that it is expected to continue. (Peninsula Qatar)
- CEO: Doha Bank seeks to maintain 'stable loan-deposit ratio'** – Doha Bank seeks to maintain a stable loan-to-deposit ratio even as its lending remains relatively stable of late, according to Doha Bank's CEO, R Seetharaman. "Doha Bank's lending has been relatively stable of late, although we are currently reviewing a number of potential assets. Whilst any growth on the asset side of the balance sheet can be accommodated from existing Qatari Riyal funds, the bank seeks to maintain a stable loan to deposit ratio," Seetharaman said. "Hence, as the asset side of the balance sheet adjusts, we look to adjust the liability side as well. Given the improving fundamentals of the market, these adjustments can be accommodated," he added. Meanwhile, Doha Bank will continue to open new branches in Qatar with a combination of digital, express banking and some full scale branches, Seetharaman said. He said "the overall number of legacy branches will reduce" and noted that Doha Bank plans to continue optimizing its retail growth by lowering costs and increasing revenue. This, he said, can be achieved through "more efficient cross-selling to drive fee income, whilst continuing to bolster loans and deposits for interest income." (Gulf-Times.com)
- MRDS to disclose 3Q2018 financial statements on October 24** – Mazaya Qatar Real Estate Development (MRDS) announced its intent to disclose 3Q2018 financial statements for the period ended September 30, 2018, on October 24, 2018. (QSE)
- WDAM to disclose 3Q2018 financial statements on October 17** – Widam Food Company (WDAM) announced its intent to disclose 3Q2018 financial statements for the period ended September 30, 2018, on October 17, 2018. (QSE)
- QFBQ to disclose 3Q2018 financial statements on October 29** – Qatar First Bank (QFBQ) announced its intent to disclose 3Q2018 financial statements for the period ended September 30, 2018, on October 29, 2018. (QSE)
- AHCS to disclose 3Q2018 financial statements on October 29** – Aamal Company (AHCS) announced its intent to disclose 3Q2018 financial statements for the period ended September 30, 2018, on October 29, 2018. (QSE)
- GWCS postpones disclosure of the 3Q2018 financial statements to October 22** – Gulf Warehousing Company (GWCS) announced that the company will postpone its board meeting from October 21, 2018 to October 22, 2018 to discuss financials of the company for 3Q2018 for the period ended September 30, 2018. (QSE)

- **QGRI to disclose 3Q2018 financial statements on October 29** – Qatar General Insurance & Reinsurance Company (QGRI) announced its intent to disclose 3Q2018 financial statements for the period ended September 30, 2018, on October 29, 2018. (Peninsula Qatar)
- **SIIS to disclose 3Q2018 financial statements on October 29** – Salam International Investment Limited (SIIS) announced its intent to disclose 3Q2018 financial statements for the period ended September 30, 2018, on October 29, 2018. (QSE)
- **QIMD to disclose 3Q2018 financial statements on October 25** – Qatar Industrial Manufacturing Company (QIMD) announced its intent to disclose 3Q2018 financial statements for the period ended September 30, 2018, on October 25, 2018. (QSE)
- **QATI to disclose 3Q2018 financial statements on October 23** – Qatar Insurance Company (QATI) announced its intent to disclose 3Q2018 financial statements for the period ended September 30, 2018, on October 23, 2018. (QSE)
- **QFLS to disclose 3Q2018 financial statements on October 25** – Qatar Fuel Company (QFLS) announced its intent to disclose 3Q2018 financial statements for the period ended September 30, 2018, on October 25, 2018. (QSE)
- **Hamad Port acquires 28% share in Mideast trade** – Minister of Transport and Communications, HE Jassim bin Saif Al Sulaiti said that Hamad Port has acquired 28% share in the volume of trade in the Middle East. He was speaking in a panel discussion on the second day of the International Products Exhibition and Conference 2018 (IPEC). The share of Hamad Port in the volume of trade in Qatar in terms of exports and imports has reached 95%, which makes Hamad port an important part of the economy and contributes effectively to people's daily lives. He added that Hamad Port currently connects more than 40 ports with over 24 shipping services and offers a wide range of guaranteed and reliable options for its customers. (Peninsula Qatar)

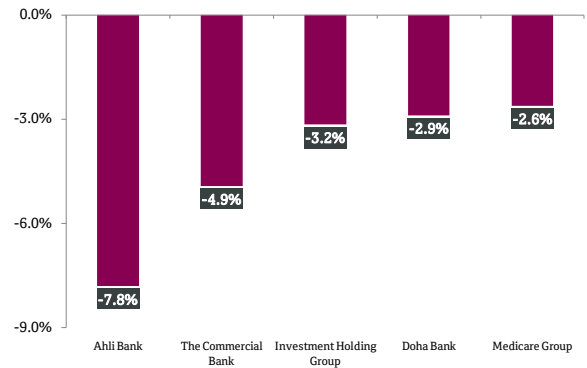
Qatar Stock Exchange

Top Gainers



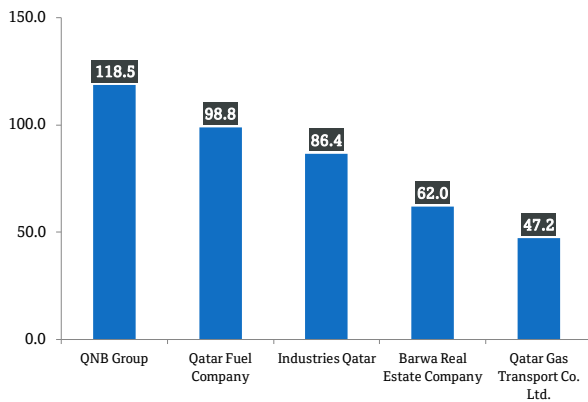
Source: Qatar Stock Exchange (QSE)

Top Decliners



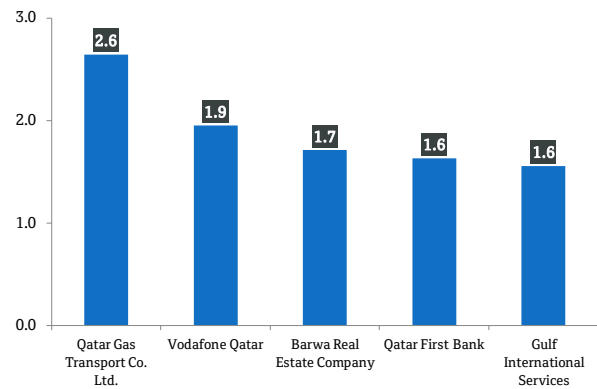
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



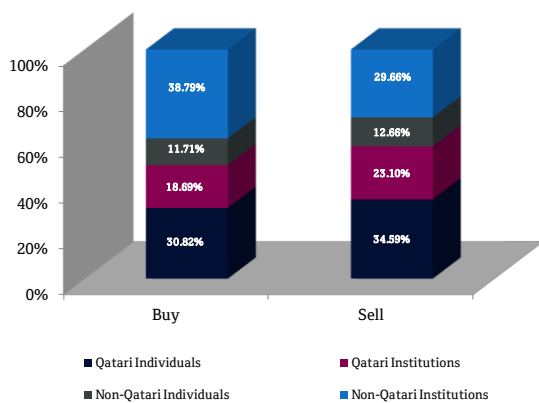
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



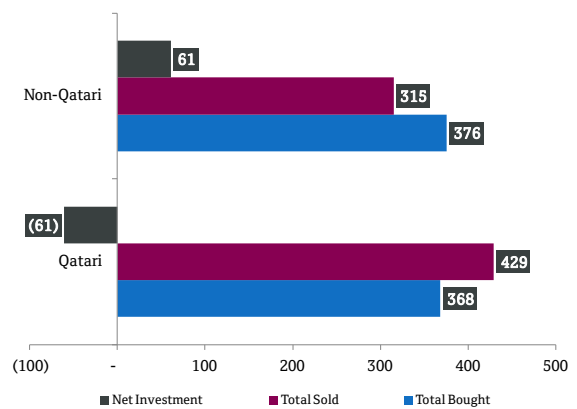
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

TECHNICAL ANALYSIS OF THE QSE INDEX



Source: Bloomberg

The General Index closed slightly down, decreasing by 0.41% from the week before. Another week passed by with no significant technical change on the Index. The Index remains below the 10,000 mark but we remain optimistic as the Index remains in an upward trajectory; a breakout above the mentioned level is needed for a continuation in the anticipated uptrend. Our weekly support remains at the 9,200 level.

DEFINITIONS OF KEY TERMS USED IN TECHNICAL ANALYSIS

RSI (Relative Strength Index) indicator – RSI is a momentum oscillator that measures the speed and change of price movements. The RSI oscillates between 0 to 100. The index is deemed to be overbought once the RSI approaches the 70 level, indicating that a correction is likely. On the other hand, if the RSI approaches 30, it is an indication that the index may be getting oversold and therefore likely to bounce back.

MACD (Moving Average Convergence Divergence) indicator – The indicator consists of the MACD line and a signal line. The divergence or the convergence of the MACD line with the signal line indicates the strength in the momentum during the uptrend or downtrend, as the case may be. When the MACD crosses the signal line from below and trades above it, it gives a positive indication. The reverse is the situation for a bearish trend.

Candlestick chart – A candlestick chart is a price chart that displays the high, low, open, and close for a security. The ‘body’ of the chart is portion between the open and close price, while the high and low intraday movements form the ‘shadow’. The candlestick may represent any time frame. We use a one-day candlestick chart (every candlestick represents one trading day) in our analysis.

Doji candlestick pattern – A Doji candlestick is formed when a security's open and close are practically equal. The pattern indicates indecisiveness, and based on preceding price actions and future confirmation, may indicate a bullish or bearish trend reversal.

Shooting Star/Inverted Hammer candlestick patterns – These candlestick patterns have a small real body (open price and close price are near to each other), and a long upper shadow (large intraday movement on the upside). The Shooting Star is a bearish reversal pattern that forms after a rally. The Inverted Hammer looks exactly like a Shooting Star, but forms after a downtrend. Inverted Hammers represent a potential bullish trend reversal.

Company Name	Price October 11	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	180.00	0.01	42.85	166,256	12.9	2.5	3.3
Qatar Islamic Bank	139.01	(0.92)	43.31	32,847	13.9	2.3	3.6
Commercial Bank of Qatar	38.02	(4.93)	31.56	15,388	14.8	1.0	2.6
Doha Bank	21.20	(2.89)	(25.61)	6,573	9.8	0.8	14.2
Al Ahli Bank	29.50	(7.81)	(20.56)	6,206	9.4	1.2	3.2
Qatar International Islamic Bank	58.35	(1.03)	6.87	8,832	10.4	1.6	6.9
Masraf Al Rayan	37.27	(0.56)	(1.27)	27,953	13.5	2.3	5.4
Al Khalij Commercial Bank	11.00	(0.45)	(22.54)	3,960	7.8	0.7	6.8
Qatar First Bank	4.75	(1.86)	(27.26)	950	N/A	0.8	N/A
National Leasing	8.70	(1.25)	(18.77)	430	26.7	0.4	5.7
Diala Holding	11.83	5.53	(19.52)	336	62.2	1.5	N/A
Qatar & Oman Investment	5.89	(1.01)	(25.44)	186	43.8	0.6	8.5
Islamic Holding Group	25.75	(0.96)	(31.33)	146	N/A	1.1	N/A
Banking and Financial Services				270,062			
Zad Holding	101.00	1.51	37.16	1,453	12.3	1.6	5.9
Qatar German Co. for Medical Devices	4.82	(1.03)	(25.39)	56	N/A	1.1	N/A
Salam International Investment	4.85	(2.61)	(29.61)	554	N/A	0.4	N/A
Medicare Group	63.30	(2.62)	(9.38)	1,782	22.1	1.9	2.8
Qatar Cinema & Film Distribution	15.03	0.00	(39.88)	94	13.3	0.7	6.7
Qatar Fuel	168.45	0.87	65.05	16,748	15.3	2.5	4.7
Widam Food Co.	75.02	1.36	20.03	1,350	11.8	4.2	5.7
Mannai Corp.	57.00	0.00	(4.20)	2,600	5.1	1.0	7.0
Al Meera Consumer Goods	153.48	1.64	5.92	3,070	16.6	2.3	5.5
Consumer Goods and Services				27,708			
Qatar Industrial Manufacturing	42.99	2.11	(1.62)	2,043	10.2	13.4	7.0
Qatar National Cement	54.63	(2.03)	(13.15)	3,570	10.9	1.2	8.2
Industries Qatar	130.00	0.47	34.02	78,650	18.6	2.3	3.8
Qatari Investors Group	29.74	(2.62)	(18.74)	3,697	15.6	1.4	2.5
Qatar Electricity and Water	190.01	(0.65)	6.75	20,901	12.9	2.2	4.1
Aamal	9.62	(0.10)	10.83	6,061	12.4	0.8	6.2
Gulf International Services	20.03	0.15	13.16	3,722	36.1	1.0	N/A
Mesaieed Petrochemical Holding	16.68	(1.30)	32.49	20,955	16.4	1.5	4.2
Investment Holding Group	5.21	(3.16)	(14.59)	432	10.1	0.5	4.8
Industrials				140,032			
Qatar Insurance	37.12	(1.09)	(17.92)	11,838	58.7	1.5	3.5
Doha Insurance	12.60	(1.64)	(10.00)	630	14.6	0.6	6.0
Qatar General Insurance & Reinsurance	48.00	0.00	(2.04)	4,200	13.0	0.7	4.6
Al Khaleej Takaful Insurance	9.27	0.54	(29.98)	237	38.5	0.5	5.4
Qatar Islamic Insurance	51.58	1.14	(6.17)	774	11.6	2.3	6.8
Insurance				17,678			
United Development	14.07	0.57	(2.16)	4,982	9.6	0.5	8.9
Barwa Real Estate	36.46	3.02	13.94	14,187	8.9	0.8	6.9
Ezdan Real Estate	10.33	(0.19)	(14.49)	27,400	28.1	0.9	N/A
Mazaya Qatar Real Estate Development	6.69	0.30	(25.67)	774	25.1	0.5	N/A
Real Estate				47,344			
Ooredoo	67.66	0.39	(25.44)	21,673	13.9	1.0	5.2
Vodafone Qatar	8.66	(0.35)	7.98	7,321	N/A	1.6	N/A
Telecoms				28,994			
Qatar Navigation (Milaha)	67.99	(0.01)	21.54	7,787	15.4	0.6	5.1
Gulf Warehousing	40.74	(0.20)	(7.39)	2,387	10.5	1.5	4.2
Qatar Gas Transport (Nakilat)	17.45	(2.24)	8.39	9,668	11.0	1.5	5.7
Transportation				19,842			
Qatar Exchange				551,661			

Source: Bloomberg

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