

Market Review and Outlook

The Qatar Stock Exchange (QSE) Index moved up by 45.99 points, or 0.43% during the week, to close at 10,807.34. Market capitalization went up marginally by 0.3% to QR626.4 billion (bn) as compared to QR624.8bn at the end of the previous week. Of the 48 listed companies, 22 ended the week higher, 25 declined and 1 remained unchanged. Qatar German Co. Medical Devices (QGMD) was the best performing stock for the week, with a gain of 10.44%. On the other hand, Qatar General Insurance & Reinsurance Co. (QGRI) was the worst performing stock with a decline of 4.11%.

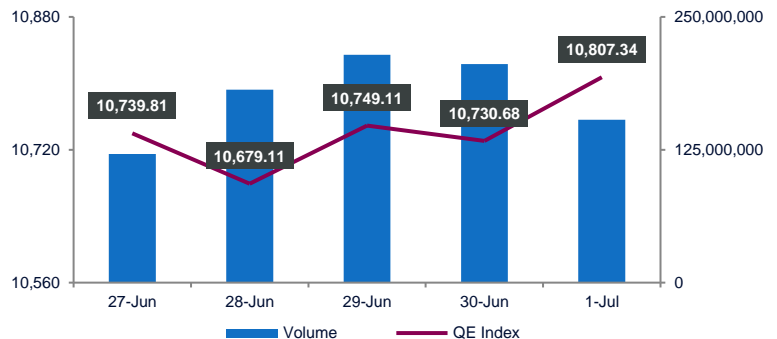
Industries Qatar (IQCD), Qatar Islamic Bank (QIBK) and Qatar Gas Transport Co. (QGTS) were the primary contributors to the weekly index increase. IQCD and QIBK added 23.0 and 20.7 points to the index, respectively. Moreover, QGTS added an additional 6.8 points to the index.

Trading value during the week rose by 21.2% to reach QR1,877.5mn vs. QR1,549.0mn in the prior trading week. Salam International Investment Limited (SIIS) was the top value traded stock during the week with total traded value of QR207.5mn.

Trading volume increased by 49.1% to 875.6mn shares vs. 587.2mn shares in the prior trading week. The number of transactions rose by 1.6% to 43,603 transactions versus 42,943 transactions in the prior week. Salam International Investment Limited (SIIS) was the top volume traded stock during the week with total traded volume of 218.0mn shares.

Foreign institutions remained positive, ending the week with net buying of QR122mn vs. net buying of QR95mn in the prior week. Qatari institutions remained negative with net selling of QR92mn vs. net selling of QR37mn in the week before. Foreign retail investors ended the week with net selling of QR3mn vs. net selling of QR27mn in the prior week. Qatari retail investors remained bearish with net selling of QR27mn vs. net selling of QR31mn the week before. So far YTD (as of Wednesday closing), foreigners were net buyers of \$680.9mn.

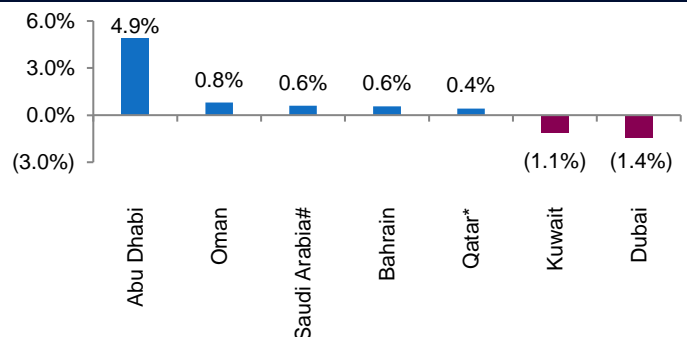
QSE Index and Volume



Market Indicators	Week ended July 01, 2021	Week ended June 24, 2021	Chg. %
Value Traded (QR mn)	1,877.5	1,549.0	21.2
Exch. Market Cap. (QR mn)	626,446.3	624,773.3	0.3
Volume (mn)	875.6	587.2	49.1
Number of Transactions	43,603	42,937	1.6
Companies Traded	48	48	0.0
Market Breadth	22:25	16:31	-

Market Indices	Close	WTD%	MTD%	YTD%
Total Return	21,393.77	0.4	0.7	6.6
ALL Share Index	3,427.59	0.3	0.6	7.1
Banks and Financial Services	4,521.02	0.2	0.3	6.4
Industrials	3,615.64	1.0	0.8	16.7
Transportation	3,405.28	1.3	1.4	3.3
Real Estate	1,790.50	0.1	2.0	(7.2)
Insurance	2,616.59	(1.4)	0.4	9.2
Telecoms	1,098.04	(0.7)	2.0	8.6
Consumer Goods & Services	8,115.98	(0.4)	0.2	(0.3)
Al Rayan Islamic Index	4,560.65	0.3	0.6	6.8

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*	10,807.34	0.4	0.7	3.6	508.02	169,203.2	18.3	1.6	2.7
Dubai	2,816.56	(1.4)	0.2	13.0	258.05	105,660.8	21.4	1.0	2.8
Abu Dhabi	6,899.27	4.9	0.9	36.7	1,972.10	267,446.0	23.4	2.0	3.5
Saudi Arabia#	10,984.15	0.6	4.1	26.4	17,110.65	2,591,945.6	36.2	2.4	1.9
Kuwait	6,388.03	(1.1)	0.0	15.2	1,047.20	121,266.4	40.7	1.6	2.0
Oman	4,079.09	0.8	0.4	11.5	44.25	18,566.1	14.3	0.8	3.8
Bahrain	1,587.91	0.6	(0.0)	6.6	11.81	24,483.2	27.3	1.1	2.1

Source: Bloomberg, country exchanges and Zawya (** Trailing Twelve Months; * Value traded (\$ mn) do not include special trades, if any; #Data as of June 30, 2021)

Economic, Market and Corporate News

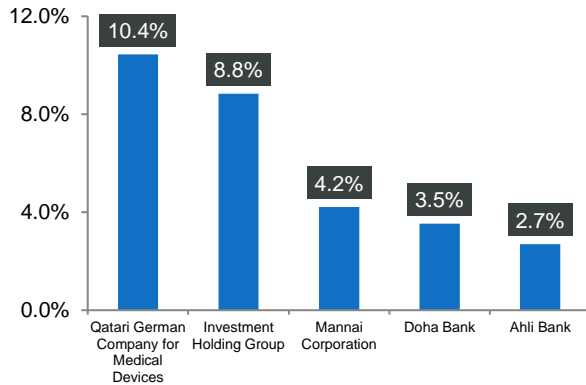
- PSA: Qatar posts more than three-fold jump in trade surplus in May** – A more-than-quadrupled shipment of non-crude and a more-than-tripled growth in crude, apart from a robust high double-digit surge in its oil and gas, helped Qatar register a more than three-fold rise in trade surplus year-on-year this May, according to the official estimates. The rebound in the country's merchandise trade has been mainly on account of a robust more-than-doubled exports of domestic products amidst a low-single digit growth in imports, according to figures released by PSA, or the Planning and Statistics Authority. The exports destinations were mainly the Asian countries and the UAE; while imports came from diverse geographies. Overall, Qatar recorded trade surplus of QR16.61bn in May 2021, which showed a 29.9% MoM increase in the review period. The total exports of goods (including exports of goods of domestic origin and re-exports) were QR24.91bn, showing a stupendous 87.8% and 18.9% surge YoY and MoM in the review period. In May this year, Qatar's shipments to China amounted to QR3.59bn or 14.42% of the total exports of the country, followed by Japan QR3.58bn (14.36%), South Korea QR2.78bn (11.20%), India QR2.67bn (10.7%) and the UAE 1.8bn (7.2%). On a yearly basis, Qatar's exports to the UAE soared about five-fold and those to Japan more than doubled; whereas those to China expanded 92.19%, India 84.44% and South Korea 31.89%. On a monthly basis, Qatar's exports to the UAE was seen surging 79.08%, South Korea by 30.9%, China by 29.98% and Japan by 27.21%; while those to India was down 0.04%. The exports of non-crude more than quadrupled year-on-year to QR2.45bn, crude more than tripled to QR4.04bn, other non-specified commodities by 98.2% to QR3.31bn and petroleum gases and other gaseous hydrocarbons by 70.1% to QR14.01bn in the review period. On a monthly basis, the exports of crude shot up 25.4%, petroleum gases and other gaseous hydrocarbons 19.4%, non-crude by 12.2% and other non-specified commodities by 11.7% in May 2021. Petroleum gases constituted 58.82% of the exports of domestic products compared to 69.89% a year ago period, crude 16.96% (11.37%), non-crude 10.29% (4.66%) and other commodities 13.9% (14.16%). (Gulf-Times.com)
- PSA: Hydrocarbons drives Qatar industrial sector in May** – A more-than-doubled average price in the hydrocarbons and a rebound in the manufacturing sector substantially lifted the prospects of Qatar's industrial sector in May 2021, according to official estimates. Qatar's PPI or producers price index – a measure of the average selling prices received by the domestic producers for their output – registered 92.1% and 7.5% expansion on yearly and monthly basis respectively, according to figures released by the Planning and Statistics Authority (PSA). The PSA had released a new PPI series in late 2015. With a base of 2013, it draws on an updated sampling frame and new weights. The previous sampling frame dates from 2006, when the Qatari economy was much smaller than today and the range of products made domestically much narrower. The mining PPI, which carries the maximum weight of 72.7%, reported a robust 117.2% surge YoY in May 2021 as the selling price of crude petroleum and natural gas was seen soaring a huge 117.9%; even as that of stone, sand and clay declined 6.1%. The mining PPI registered an 8.8% increase on a monthly basis in May this year on the back of a 9% expansion in the selling price of crude petroleum and natural gas and 0.6% in stone, sand and clay. The manufacturing sector, which has a weight of 26.8% in the PPI basket, witnessed a 58.9% growth

YoY in May 2021 on a 74.6% surge in the average price of refined petroleum products, 66.8% in basic chemicals, 26.8% in basic metals, 15.3% in paper and paper products, 8.5% in rubber and plastics products, 3.7% in juices and 0.4% in dairy products. Nevertheless, there was a 8.1% shrinkage in the price of cement and other non-metallic mineral products, 1.1% in beverages, 0.7% in grain mill and other products and 0.4% in other chemical products and fibers. The manufacturing sector PPI had seen a monthly 5.2% expansion in May 2021 as the average selling price of basic chemicals shot up 8.6%, rubber and plastics products (5.4%), refined petroleum products (4.6%), paper and paper products (4.5%), basic metals (3.6%), juices 91.2% and dairy products (0.6%). However, the average prices of cement and other non-metallic mineral products declined 1.1%, beverages (0.7%) and grain mill and other products (0.2%). The utilities group, which has a mere 0.5% weightage in the PPI basket, saw its index soar 7% YoY because there was a 17.2% increase in the average selling price of water, even as that of electricity was down 1.3% in May 2021. The index had however seen a 5.1% contraction MoM this May with the average selling price of electricity and water plummeting 7.9% and 2.2% respectively. (Gulf-Times.com)

- Qatar to vaccinate 80% of population before year-end, says official** – Head of Vaccination at the Ministry of Public Health Dr. Soha Al Bayat stressed the efficiency of the two vaccines used in Qatar, the community awareness, cooperation of citizens and residents have contributed to reaching the stage of low COVID-19 infection rates in the country. Speaking to Qatar TV yesterday, she has called on those who have not received COVID-19 vaccination to take it, so that Qatar would become one of the first countries to control the pandemic. "80% of the population must be vaccinated so that the number of infection rate decreases further. It is expected that this percentage will be reached before end of this year," Dr. Al Bayat added. (Peninsula Qatar)
- QIHK mulls 100% foreign ownership** – Qatar International Islamic Bank (QIHK) board of directors has recommended the amendment of Article No. (76) of the Articles of Association to allow foreign investors to own a maximum of 100% of the bank's capital instead of 49% previously, provided that the approval of the supervisory and regulatory authorities is met and submitted to the Extraordinary General assembly for their approval. (QSE)
- ABQK seeks up to \$500mn via bonds** – Ahli Bank (ABQK), rated A2 by Moody's, and A by Fitch, has mandated, Barclays Bank, JP Morgan, Mizuho Securities, QNB Capital and Standard Chartered Bank as Joint Lead Managers and Joint Bookrunners for its upcoming offering under ABQ Finance Limited USD 2bn EMTN Program which will be guaranteed by Ahli Bank. A 5 year fixed rate USD Regulation S unsecured offering may follow as early as Tuesday June 29, 2021, subject to market conditions. ICMA/ FCA Stabilization applies. (QSE)
- QNCD gets QR281.4mn MME contract** – Qatar National Cement Company (QNCD) has bagged a contract worth QR281.4mn from the Ministry of Municipality and Environment (MME) to treat and recycle waste and dispose it in the kilns of Umm Bab cement factories. In a communique to the Qatar Stock Exchange, QNCD said it was notified by the Ministry of Municipality and Environment of awarding the tender. The board of directors' plan for 2021 had mentioned the measures to follow up the implementation of the waste burning project with the Ministry of Municipality and Environment, aiming to start operating the project as soon as possible. (QSE, Gulf-Times.com)

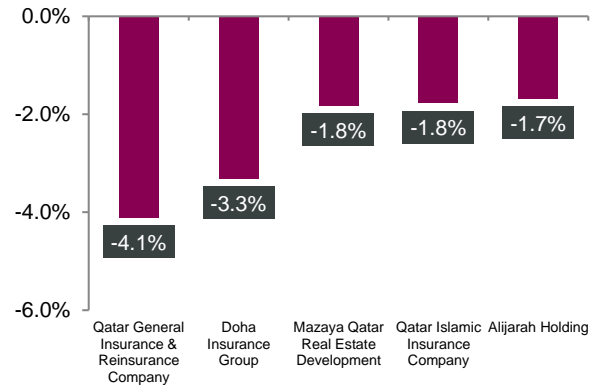
Qatar Stock Exchange

Top Gainers



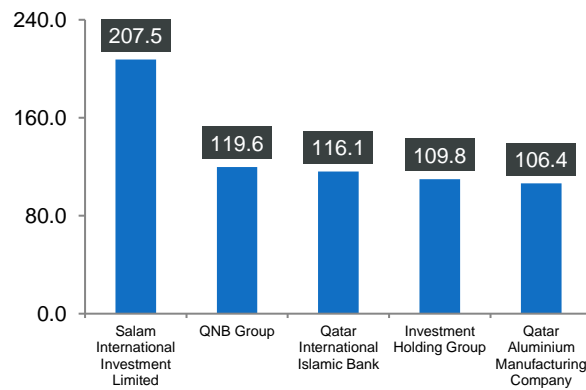
Source: Qatar Stock Exchange (QSE)

Top Decliners



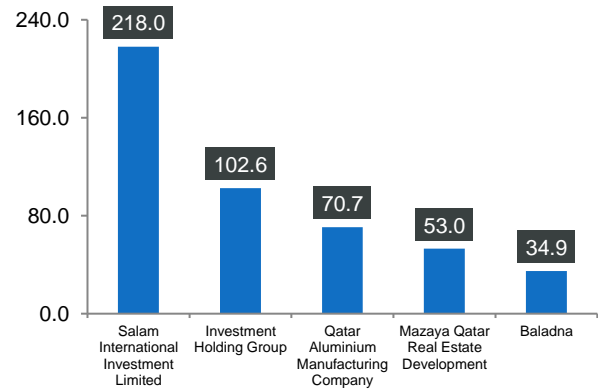
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Value (QR Million)



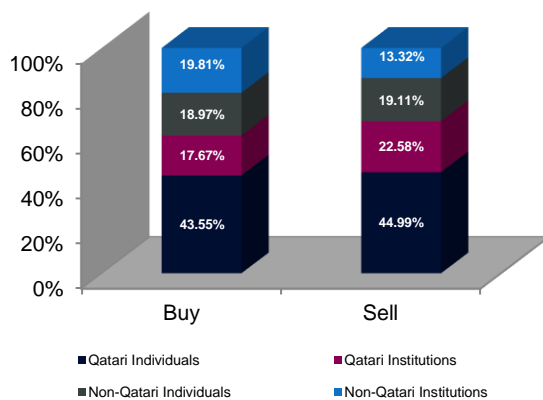
Source: Qatar Stock Exchange (QSE)

Most Active Shares by Volume (Million)



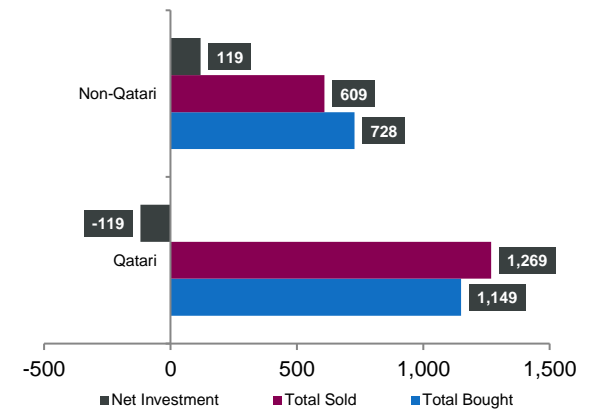
Source: Qatar Stock Exchange (QSE)

Investor Trading Percentage to Total Value Traded



Source: Qatar Stock Exchange (QSE)

Net Traded Value by Nationality (QR Million)



Source: Qatar Stock Exchange (QSE)

TECHNICAL ANALYSIS OF THE QSE INDEX



Source: Bloomberg

The QE Index closed slightly higher (+0.43%) versus the week before, it printed last at the 10,807.34 level. Our thesis remains cautiously positive, based on the current level of the Index and its activity over the past few weeks. The general Index remains in an uptrend while testing its major moving averages. Our projected resistance level remains at the 11,000 points and the support level at the 10,000 points.

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 01	% Change WTD	% Change YTD	Market Cap. QR Million	TTM P/E	P/B	Div. Yield
Qatar National Bank	17.99	(0.50)	0.90	166,163	15.4	2.3	2.5
Qatar Islamic Bank	17.38	1.46	1.58	41,068	14.1	2.3	2.3
Commercial Bank of Qatar	5.28	0.86	20.00	21,369	16.4	1.2	1.9
Doha Bank	2.81	3.54	18.63	8,706	15.4	0.9	2.7
Al Ahli Bank	3.80	2.70	10.24	9,233	13.4	1.5	3.9
Qatar International Islamic Bank	9.45	(0.61)	4.40	14,304	16.9	2.4	3.4
Masraf Al Rayan	4.46	0.22	(1.55)	33,450	15.1	2.4	3.8
Al Khaliji Bank	2.20	(0.90)	19.70	7,920	12.7	1.2	2.5
Qatar First Bank	1.90	(0.73)	10.23	1,328	43.2	2.7	N/A
National Leasing	1.17	(1.68)	(5.63)	580	12.7	0.8	2.1
Diala Holding	1.61	(0.19)	(10.14)	458	54.3	2.2	N/A
Qatar & Oman Investment	0.99	(0.70)	11.16	311	29.4	1.0	N/A
Islamic Holding Group	5.20	0.62	1.64	295	42.0	2.1	1.0
Banking and Financial Services				305,186			
Zad Holding	15.70	(0.32)	15.83	4,093	20.3	2.6	4.1
Qatar German Co. for Medical Devices	2.74	10.44	22.44	316	376.9	10.0	N/A
Salam International Investment	0.98	(1.52)	49.77	1,115	N/A	0.7	N/A
Baladna	1.53	(0.26)	(14.80)	2,899	N/A	1.3	3.5
Medicare Group	8.70	(1.38)	(1.57)	2,449	28.3	2.4	20.7
Qatar Cinema & Film Distribution	3.78	0.00	(5.33)	237	52.1	1.7	2.6
Qatar Fuel	17.73	(0.73)	(5.09)	17,628	22.6	2.1	2.6
Qatar Meat and Livestock	4.44	1.30	(29.82)	799	31.4	2.2	2.3
Mannai Corp.	3.85	4.22	28.47	1,758	26.1	0.8	0.3
Al Meera Consumer Goods	19.25	0.47	(7.05)	3,850	20.1	2.8	4.7
Consumer Goods and Services				35,144			
Qatar Industrial Manufacturing	2.85	0.42	(11.25)	1,353	14.4	0.9	3.5
Qatar National Cement	5.03	2.63	21.18	3,287	19.8	1.1	4.0
Industries Qatar	13.40	1.44	23.28	81,070	25.2	2.4	2.5
Qatari Investors Group	2.50	0.48	37.88	3,104	32.7	1.1	2.4
Qatar Electricity and Water	16.68	0.48	(6.55)	18,348	15.1	1.8	3.8
Aamal	0.99	(0.70)	15.32	6,212	56.4	0.8	4.1
Gulf International Services	1.50	(1.12)	(12.77)	2,780	N/A	0.9	N/A
Mesaieed Petrochemical Holding	1.90	(0.32)	(7.38)	23,820	28.0	1.5	2.1
Investment Holding Group	1.12	8.83	87.15	930	42.3	1.1	N/A
Qatar Aluminum Manufacturing	1.53	0.99	58.53	8,554	41.4	1.5	2.3
Industrials				149,459			
Qatar Insurance	2.48	(0.72)	5.08	8,106	35.0	1.0	N/A
QLM Life & Medical Insurance	4.83	2.26	N/A	1,691	N/A	N/A	N/A
Doha Insurance	1.95	(3.32)	40.37	977	13.9	0.9	5.1
Qatar General Insurance & Reinsurance	2.10	(4.11)	(21.05)	1,838	11.0	0.4	N/A
Al Khaleej Takaful Insurance	4.59	(0.28)	141.68	1,171	29.3	2.4	1.1
Qatar Islamic Insurance	7.70	(1.77)	11.61	1,155	15.5	2.9	4.2
Insurance				14,938			
United Development	1.47	1.17	(11.06)	5,212	23.4	0.5	3.4
Barwa Real Estate	3.08	(0.45)	(9.41)	11,989	9.9	0.6	4.1
Ezdan Real Estate	1.66	0.12	(6.70)	43,952	113.0	1.4	N/A
Mazaya Qatar Real Estate Development	1.08	(1.82)	(14.65)	1,248	40.1	1.0	2.8
Real Estate				62,401			
Ooredoo	7.50	(0.61)	(0.27)	24,024	26.5	1.1	3.3
Vodafone Qatar	1.62	(1.04)	20.76	6,835	33.4	1.6	3.1
Telecoms				30,859			
Qatar Navigation (Milaha)	7.45	1.18	5.03	8,532	118.7	0.6	4.0
Gulf Warehousing	5.18	(0.02)	1.59	304	12.9	1.6	1.9
Qatar Gas Transport (Nakilat)	3.05	1.57	(4.12)	16,892	13.9	2.3	3.6
Transportation				25,728			
Qatar Exchange				626,446			

Source: Bloomberg

Contacts

QNB Financial Services Co. W.L.L.

Contact Center: (+974) 4476 6666

info@qnbfs.com.qa

Doha, Qatar

Saugata Sarkar, CFA, CAIA

Head of Research

saugata.sarkar@qnbfs.com.qa

Shahan Keushgerian

Senior Research Analyst

shahan.keushgerian@qnbfs.com.qa

Mehmet Aksoy, PhD

Senior Research Analyst

mehmet.aksoy@qnbfs.com.qa

Disclaimer and Copyright Notice: This publication has been prepared by QNB Financial Services Co. W.L.L. ("QNBFS") 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 QNBFS 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. QNBFS 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 QNBFS believes to be reliable, we have not independently verified such information and it may not be accurate or complete. QNBFS 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 QNBFS Fundamental Research as a result of depending solely on the historical technical data (price and volume). QNBFS 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 QNBFS.

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