

Lackluster 1Q2026 With Elevated Geopolitical Risk Clouding Earnings Visibility

We expect **1Q2026 earnings across our coverage universe to decline 10.8% YoY**, while edging up **2.4% QoQ**, following a **2.8% YoY increase and a sharp 17.6% QoQ contraction in 4Q2025** aggregate QSE earnings. The YoY decline is largely driven by **non-bank names**, where earnings are forecast to fall **14.2% YoY (-8.5% QoQ)**, reflecting weaker industrial, energy and consumer-linked activity. **Banks' earnings are expected to prove relatively resilient**, declining **6.7% YoY**, while rebounding **18.2% QoQ**.

1Q2026 Estimates

Company Name	Current Price (QR)	Net Income (QRmn) / EPS (QR)			Revenue (QR mn)			
		1Q2026e	YoY	QoQ	1Q2026e	YoY	QoQ	
Ahli Bank (ABQK)	3.711	234.16	0.092	2.1%	-8.6%	374.36	2.1%	3.8%
AlRayan Bank (MARK)	2.169	380.51	0.041	-6.6%	4502.2%	787.43	-8.8%	20.3%
Commercial Bank of Qatar (CBQK)	4.320	483.69	0.120	-25.7%	15.3%	1,191.42	-3.0%	-16.5%
Doha Bank (DHBK)	2.780	170.67	0.055	-32.2%	112.5%	625.31	-8.3%	-1.5%
Dukhan Bank (DUBK)	3.499	425.36	0.081	-2.7%	93.5%	701.59	1.9%	0.6%
Qatar International Islamic Bank (QIIB)	11.04	366.54	0.242	2.9%	44.9%	533.61	5.8%	-2.6%
Qatar Islamic Bank (QIBK)	22.82	1,033.54	0.437	4.9%	-25.1%	1,625.74	0.4%	-0.7%
Baladna (BLDN)	1.220	43.18	0.020	-25.9%	-72.7%	336.32	1.8%	3.0%
Medicare Group (MCGS)	5.170	11.27	0.040	-47.9%	-19.1%	106.53	-16.6%	-15.8%
Meeza (MEZA)	3.266	17.95	0.028	36.9%	-25.6%	117.42	36.9%	1.8%
Mekdam Holdings (MKDM)	2.408	11.88	0.070	4.5%	-14.6%	158.49	13.3%	-30.3%
Qatar Fuel Co (QFLS)	14.51	203.71	0.205	-11.6%	-29.4%	4,790.85	-24.2%	-28.8%
Industries Qatar (IQCD)	11.25	623.15	0.103	-37.2%	-32.9%	3,629.11	5.9%	-14.4%
Estithmar Holding (IGRD)	3.926	184.39	0.049	5.5%	-29.6%	1,215.07	-7.2%	-23.6%
Gulf International Services (GISS)	2.043	75.65	0.041	-65.9%	-27.5%	980.19	-14.0%	-9.9%
Nebras Energy (QEWS)	14.40	323.35	0.294	12.4%	-3.1%	705.61	3.6%	1.8%
Qatar National Cement (QNCD)	2.987	18.83	0.029	-38.6%	-12.9%	82.82	-8.6%	-23.6%
QLM Life & Medical Insurance Co.	2.260	11.71	0.033	-23.0%	-36.7%	3.23	-56.0%	-80.3%
Ooredoo (ORDS)	12.76	961.78	0.300	0.2%	24.0%	6,298.39	7.7%	-2.0%
Vodafone Qatar (VFQS)	2.431	201.13	0.048	23.9%	-3.1%	866.23	1.3%	0.7%
Gulf Warehousing Co. (GWCS)	2.171	33.39	0.057	-11.4%	-12.0%	329.64	-10.3%	-1.8%
Qatar Gas & Transport (QGTS)	4.118	407.78	0.074	-5.9%	8.7%	922.19	1.5%	-2.2%
Qatar Navigation/Milaha (QNNS)	10.22	326.52	0.287	-12.8%	53.4%	780.63	2.8%	-10.1%
Total		6,550.2		-10.8%	2.4%	27,162.2	-4.2%	-11.4%

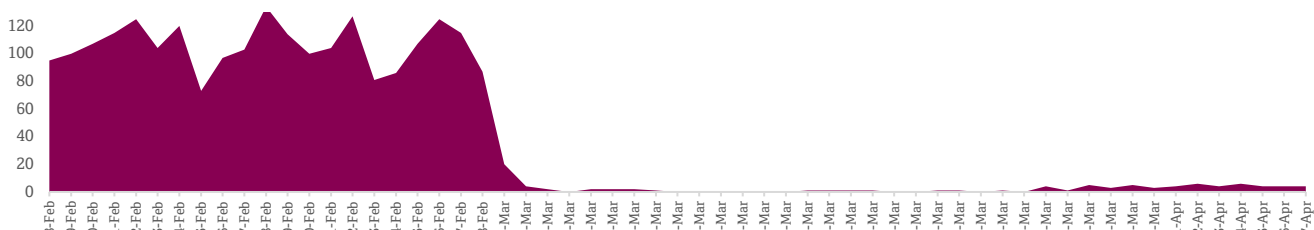
Source: QNB FS Research

We publish our estimates against a backdrop of **exceptionally high uncertainty**, driven by the ongoing **US/Israel-Iran war**, with Gulf states significantly impacted by this conflict. The **effective closure of the Strait of Hormuz since the onset of hostilities has brought most Gulf hydrocarbon exports to a halt**, posing significant downside risks to both regional and global growth. The Strait typically handles **around 25% of global oil and LNG supply**, heightening inflation risks while simultaneously weighing on activity.

- Corporate operations across Qatar's energy and industrial complex have already been materially affected. **QatarEnergy announced that missile attacks on Ras Laffan Industrial City on 18-19 March 2026 caused extensive damage to critical infrastructure**, reducing Qatar's LNG export capacity by **17%** and implying an **estimated annual revenue loss of c.\$20bn**. The Pearl GTL facility was also targeted. Repairs of the LNG facilities are expected to take **three to five years**, prompting the declaration of **long-term force majeure** on some LNG contracts. In response, **Industries Qatar, Mesaieed Petrochemical Holding and Gulf International Services** have each announced production curtailments or operational suspensions across selected downstream and energy-related activities, pointing to near-term pressure on volumes and revenue.
- From a policy perspective, the **Qatar Central Bank (QCB)** has emphasized that the financial system remains sound, supported by strong capitalization, ample liquidity and solid risk buffers. As a precautionary measure, the QCB has introduced additional liquidity support, including **unlimited repo facilities, a new term repo of up to three months, and a reduction in reserve requirements from 4.5% to 3.5%**, alongside temporary loan payment deferrals. These measures should help cushion near-term stress in the banking system.

Even with the just announced two-week ceasefire, the broader macro-outlook remains skewed to the downside. Forecasts increasingly point to **negative Gulf growth in 2026**, with the region now the epicenter of global downside risk. The latest batch of PMI readings in the region have printed mostly below 50. What the **UNDP initially modeled as a four-week, contained shock has been overtaken by events**, with potential **GDP contractions of 5.2-8.5% across GCC economies**, reflecting weaker hydrocarbon production, exports, tourism and domestic demand. Spillovers into fertilizer and food markets further compound risks, increasing the likelihood of sustained inflation and a broader global slowdown. **Overall, prolonged conflict materially reduces earnings visibility**, with downside risks to volumes, pricing, margins and demand outweighing near-term offsets. We therefore remain cautious on the outlook until there is greater clarity on the duration of the conflict and the reopening of critical trade and energy routes.

Strait of Hormuz Total Commercial Vessel Bidirectional Crossings



Source: Bloomberg

Recommendations		Risk Ratings	
<i>Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price</i>		<i>Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals</i>	
OUTPERFORM	Greater than +20%	R-1	Significantly lower than average
ACCUMULATE	Between +10% to +20%	R-2	Lower than average
MARKET PERFORM	Between -10% to +10%	R-3	Medium / In-line with the average
REDUCE	Between -10% to -20%	R-4	Above average
UNDERPERFORM	Lower than -20%	R-5	Significantly above average

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