

2Q2026 Earnings To Soften As Fragile Ceasefire Continues To Cloud Visibility

We expect **2Q2026 earnings across our coverage universe to decline 13.6%/3.3% YoY/QoQ**. This follows a **3.3% YoY dip but a 7.4% QoQ expansion in 1Q2026** aggregate QSE earnings. The YoY decline is largely driven by **non-bank names**, where earnings are forecast to fall **21.5% YoY (-8.4% QoQ)**, reflecting weaker industrial & energy and consumer-linked activity. **Banks' earnings are expected to fall modestly by 3.3% YoY**, while rising **2.7% QoQ**.

2Q2026 Estimates

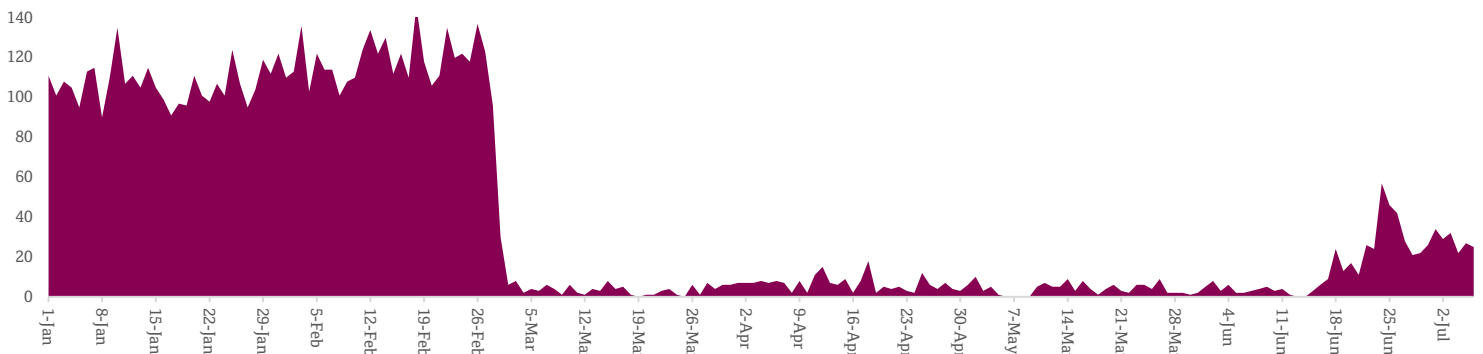
Company Name	Share Price (QR)	Net Income (QRmn) / EPS (QR)			Revenue (QR mn)			
		2Q2026e	YoY	QoQ	2Q2026e	YoY	QoQ	
Ahli Bank (ABQK)	4.055	181.15	0.071	4.6%	-23.1%	401.85	-10.8%	2.4%
AlRayan Bank (MARK)	2.030	414.25	0.045	0.1%	14.7%	843.04	-3.7%	5.5%
Commercial Bank of Qatar (CBQK)	4.060	510.71	0.126	-16.3%	1.9%	1,238.98	1.9%	-5.5%
Doha Bank (DHBK)	2.868	201.90	0.065	-6.4%	-13.9%	627.68	0.8%	-11.4%
Dukhan Bank (DUBK)	3.388	404.01	0.077	8.0%	-5.9%	668.48	-0.1%	-2.7%
Qatar International Islamic Bank (QIIK)	11.300	348.63	0.230	4.8%	-5.2%	523.28	-6.0%	1.3%
Qatar Islamic Bank (QIBK)	21.590	1,138.82	0.482	-4.3%	15.5%	1,667.11	0.0%	2.5%
Baladna (BLDN)	1.332	270.59	0.126	-0.8%	340.0%	328.82	5.4%	-0.4%
Medicare Group (MCGS)	5.997	54.38	0.193	177.2%	443.6%	129.14	-1.0%	16.1%
Meeza (MEZA)	3.300	16.17	0.025	4.1%	17.3%	126.38	22.9%	20.7%
Mekdam Holdings (MKDM)	2.258	5.35	0.031	-28.2%	-37.3%	164.99	4.7%	-5.6%
Qatar Fuel Co (QFLS)	14.000	170.29	0.171	-25.9%	4.7%	6,094.09	-0.9%	22.5%
Industries Qatar (IQCD)	11.080	94.07	0.016	-90.3%	-87.2%	1,985.32	-48.7%	-45.5%
Estithmar Holding (IGRD)	4.379	365.19	0.098	16.8%	10.1%	2,195.70	24.5%	50.9%
Gulf International Services (GISS)	2.080	5.49	0.003	-97.0%	-92.7%	685.34	-38.5%	-34.2%
Nebras Energy (QEWS)	14.440	364.25	0.331	-2.8%	23.3%	787.23	3.1%	8.5%
Qatar National Cement (QNCD)	2.781	27.87	0.043	13.1%	-9.2%	98.93	1.9%	2.0%
QLM Life & Medical Insurance Co.	2.250	25.74	0.074	-6.1%	68.0%	385.65	-8.8%	5.9%
Ooredoo (ORDS)	13.120	1,031.47	0.322	4.4%	2.6%	6,392.28	5.4%	3.1%
Vodafone Qatar (VFQS)	2.600	203.80	0.048	22.5%	1.2%	940.91	4.7%	2.9%
Gulf Warehousing Co. (GWCS)	2.279	35.56	0.061	67.8%	5.3%	322.54	-6.5%	1.5%
Qatar Gas & Transport (QGTS)	4.350	426.18	0.077	-0.1%	-2.9%	922.80	-2.7%	-1.7%
Qatar Navigation/Milaha (QNNS)	10.100	312.20	0.275	4.9%	5.3%	862.43	3.5%	-1.4%
Total		6,608.1		-13.6%	-3.3%	28,393.0	-5.5%	0.3%

Source: QNB FS Research

We publish our estimates against a backdrop of **still-elevated but partially easing uncertainty following the US-Iran ceasefire signed on 8 April 2026 and the more formal 15-17 June MoU that reopened the Strait of Hormuz on a "toll-free" basis for a 60-day negotiating window**. The arrangement remains fragile: **traceable Hormuz voyages have recovered to only c.27-28% of pre-war levels** and were last tested by the 7 July projectile strike on a carrier exiting the Strait off the Omani coast. Given that the Strait typically handles c.25% of global LNG trade and c.20% of oil supply, the still-incomplete recovery continues to weigh on regional and global activity while keeping inflation tail-risks elevated.

- Operations across Qatar's **energy and industrial complex remain materially disrupted**. QatarEnergy is orchestrating a **phased Ras Laffan restart – targeting 50% of nameplate LNG within one month of safe Hormuz navigation and 80% within two months** – though the 12.8 MTPA (c.17% of capacity) lost with Trains 4 and 6 following the 18-19 March 2026 missile strikes still requires three-to-five years to repair. The 21 June operational accident at the Barzan gas facility during restart activities, however, is not expected to impact Qatar's LNG exports. Industries Qatar, Mesaieed Petrochemical Holding and Gulf International Services — whose 1Q suspensions and curtailments cascaded from the LNG halt — remain contingent on Hormuz normalization and the Ras Laffan restart, leaving 2Q volumes and revenue materially depressed.
- From a policy perspective, the **QCB has kept in place the precautionary framework announced in late March 2026** – unlimited QR repo facilities, a new term repo of up to three months, a 100bps reduction in the reserve requirement to 3.5%, and temporary loan payment deferrals – alongside its ongoing assessment that the banking system continues to operate from a position of strength on capitalization, liquidity and risk buffers. These measures should continue to cushion near-term stress in the banking system.

Strait of Hormuz Total Commercial Vessel Bidirectional Crossings



Source: Bloomberg

Ceasefire In Place, But Fragile

The 8 April 2026 ceasefire and 15–17 June MoU have reopened Hormuz "toll-free" for a 60-day negotiating window, but transits are only c.27–28% of pre-war levels.

Qatar Energy Complex Still Disrupted

QatarEnergy is preparing a phased Ras Laffan restart (50% of capacity within 1 month, 80% within 2 months of safe navigation), though the 12.8 MTPA loss from Trains 4 and 6 requires 3–5 years to repair.

Growth Outlook Still Skewed Down

IMF sees Qatar 2026 GDP contracting c.8.6%; ICAEW forecasts GCC GDP shrinking 2.4%. June PMIs remain sub-50 across the Gulf, ex-Saudi.

- **Even with the MoU-driven partial reopening of Hormuz, the broader macro-outlook remains skewed to the downside, with the Gulf still the epicenter of global downside risk.** The IMF's April 2026 update pencils in a c.8.6% contraction in Qatar's 2026 GDP (a 14.7ppt downgrade from January), alongside outright contractions in Kuwait (-0.6%), Bahrain (-0.5%) and Iran/Iraq, and MENAP growth of just 1.4% (down 2.3ppts). Meanwhile, UAE and Saudi are still expected to register GDP growths in 2026. June PMIs corroborate the drag, remaining sub-50 across the Gulf, ex-Saudi. The World Bank flags global growth heading to its slowest pace since Covid-19, while the UNDP notes that cushioning of price shocks has come at heavy fiscal cost, with global fossil-fuel subsidies on track to exceed \$1tn in 2026. Spillovers into fertilizer and food markets remain concerning, with the World Bank projecting a c.30% rise in the fertilizer index in 2026 on tighter urea, ammonia and phosphate supply. Overall, **prolonged conflict – even under an intermittent ceasefire – materially reduces earnings visibility, with downside risks to volumes, pricing, margins and demand still outweighing near-term offsets.** We therefore remain cautious on the outlook until there is greater clarity on the durability of the MoU, unimpeded Hormuz throughput, and the Ras Laffan restart trajectory.
- **The base case in this update assumes the June MoU broadly holds and Ras Laffan phased restart proceeds through 3Q2026.** A downside path (MoU collapse, sustained closure, further attacks on export infrastructure) would likely push Brent back into the \$90–110+ range and delay QSE energy-complex normalization by another 2–3 quarters, with follow-on effects on Industries Qatar, Mesaieed Petrochemical Holding and Gulf International Services. Conversely, a durable de-escalation with full Hormuz normalization, say, by end-July would support a sharp cyclical earnings recovery into 4Q2026/1Q2027. We would flag the July 11 talks and OPEC+ output decisions as key near-term catalysts.

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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