

2018 Investor Conference Season Kicks Off in Riyadh

1Q 2018 IR CALENDAR	DATE
HSBC Investor Conference, RUH	26-27 FEB
HSBC Equity Forum, DXB	28 FEB-1 MAR
GS Saudi Conference, LON	1-2 MAR
EFG Hermes Conference, DXB	5-7 MAR
Morgan Stanley Saudi Conf., NYC	12-13 MAR

IN CASE YOU MISSED IT . . .

It was a mixed week for GCC markets. Bahrain (+0.9%) led the gains in the region, followed by Qatar (+0.8%), which was supported by buying in Industries Qatar and banking sector stocks. Dubai (-1.2%) declined the most under pressure from real estate stocks after an S&P report indicated that the slump in the real estate sector could continue until 2020. Oman (-0.9%) also closed lower, while Saudi Arabia (-0.1%), Kuwait (-0.1%) and Abu Dhabi (0.0%) were mostly flat. US markets gained late on Friday to close the week in the green. The Dow (+0.4%) and the S&P 500 (+0.6%) gained for the second straight week. In Europe, the FTSE 100 index (-0.7%) closed lower on a stronger Pound and weaker than expected results, while the Stoxx 600 (+0.1%) closed marginally higher.

FY 17 RESULTS	PROFIT (mn)	Y-O-Y%
Aldar Properties	AED 2,000	-28.1%
GFH Financial Group	BHD 38.8	-55.8%
ADNIC	AED 227.3	+10.9%
Arabian Cement	SAR 905.7	-27.9%
Etisalat UAE	AED 8,200	+5.0%
Saudi Arabian Fertilizers	SAR 2,759.5	-3.4%
Samba Financial Group	SAR 5,732	+6.5%

BRENT SPOT PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
Oil (Brent)	3.81%	0.66%
MSCI EM	1.39%	5.00%
US Treasury Yield	1.23%	17.99%
Aluminum	0.91%	-1.43%
S&P 500	0.55%	2.76%
MSCI GCC	0.43%	4.06%
MSCI World	0.29%	2.16%
FTSE 100	-0.69%	-5.77%
Gold	-1.35%	1.99%

The week ahead

Regional markets

Now that earnings season is almost behind, with only a handful of Saudi companies yet to announce their results (Arab National Bank, Banque Saudi Fransi, Herfy and Saudi Airlines Catering), what's next on the agenda is a heavy investor conference schedule (see calendar on the left) for management teams and investors alike.

Global markets

The week starts with Japan's leading economic index and US new home sales data on Monday, followed by Eurozone business climate and consumer confidence data on Tuesday, along with US durable goods orders and house prices index. Investors will closely follow the New Fed Chair Jerome Powell, who is slated to testify before the house and the senate this week. US GDP and personal consumption figures are due on Wednesday along with Eurozone inflation numbers. On Thursday, China, UK, Eurozone, and US PMI figures will be released, followed by US jobless claims data. The week will end with German retail sales and Canadian GDP data on Friday.

You may be asked about

Saudi Arabia approved a new bankruptcy law, in line with the Kingdom's efforts to strengthen the legal framework for businesses under the Vision 2030 strategy, in order to attract foreign direct investment. The move is likely to be beneficial for creditors, as there will be a mechanism to protect their interests, and thereby will enhance lending to the SME sector. Dubai Financial Market index futures were launched on Nasdaq Dubai. The oracle of Omaha, Warren Buffet, published his annual shareholder letter.

Note to management

Investors in Merlin Entertainments, operator of Legoland Dubai, are used to a share price as volatile as one of the Group's rollercoasters:

- Merlin issued a profit warning, sending its share price down 20% in a day
- Ejected from the FTSE 100 in December, Merlin's share price is back to its IPO price
- This week, an activist investor appeared on the shareholder register with a 5.4% holding
- Investors cheered and the shares jumped 4% in a day

But this is no ordinary activist:

- ValueAct takes long-term bets if it believes in the company, and its management
- It helped to turn around Rolls Royce, and holds stakes in KKR and Morgan Stanley
- It is known to take a contrarian view and cut through short-term earnings pressure

The lesson for management: transparency can get rewarded if investors are able to adequately price risk. Read our thoughts here: [Link](#)

REGIONAL CALENDAR

26.02.2018	KSA Economic Indicators Survey	KSA Industrial Production Survey
27.02.2018	-	-
28.02.2018	KSA Monthly Statistical Bulletin	-
01.03.2018	KSA Weekly Money Supply	-

GLOBAL CALENDAR

26.02.2018	US New Home Sales	Chicago Fed National Activity Index
27.02.2018	Germany Consumer Inflation	US Durable Goods Orders
28.02.2018	China Official PMI Data	US Q4 2017 GDP (Preliminary)
01.03.2018	US ISM Manufacturing PMI	Eurozone Unemployment Rate
02.03.2018	Germany Retail Sales	-

Food for thought

IR & BEYOND

Iridium	Merlin's Muddy Puddles and Share Price Wizardry	Link
Warren Buffet	2017 Annual Letter to Shareholders	Link
Institutional Investor	The Grouchy Investor Epidemic	Link
Funds Global MENA	Dubai Financial Market index futures launched	Link
IPE	Fidelity backtracks on investment research costs	Link

EARNINGS CALENDAR*	Market	Est/ Conf	Date
Arab National Bank	KSA	E	25 Feb
Banque Saudi Fransi	KSA	E	25 Feb
Abdullah AL-Khodari Sons	KSA	E	25 Feb
Red Sea International	KSA	E	25 Feb
Zamil Industrial Investment	KSA	E	25 Feb
Southern Province Cement	KSA	E	25 Feb
Herfy	KSA	E	25 Feb
Saudi Airlines Catering	KSA	E	25 Feb

*Courtesy of Arqam Capital Research

COMMODITIES	WTD ↓	YTD
Oil (Brent)	3.81%	0.66%
Oil (WTI)	3.03%	5.18%
Natural Gas	2.62%	-11.11%
Gold	-1.35%	1.99%

About Iridium

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We advance the science and practice of investor relations to help organizations and leaders protect downside, close gaps and unlock future potential.

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GLOBAL AGENDA

Fed Chairman	Jerome Powell testifies before a House panel
ECB President	Mario Draghi addresses the European Parliament in Brussels
US	Prelim. Q4 2017 GDP numbers (second estimate)
UK Prime Minister	Outlines her plan for a Brexit trade deal with the EU
NAFTA Talks	Resume in Mexico City with US, Mexican and Canadian negotiators
Abu Dhabi	The two-day Global Financial Markets Forum starts in Abu Dhabi
BoE Governor	Speaks at the inaugural Scottish Economics Conference in Edinburgh
Major Earnings	BASF, Anheuser-Busch, Berkshire Hathaway, Standard Chartered, Bayer
Winter Olympics	Concludes in Pyeongchang

MOST READ REGIONAL SECTOR HEADLINES

Banks	Moody's: UAE's largest banks to see solid profits in 2018
Materials	SABIC secures \$3bn syndicated bridge loan
Energy	OPEC, non-members report 133% compliance with output deal in January
Industrials	Qatar Industrial Manufacturing Co finalized the acquisition of United Development Co.'s stake in Gulf Formaldehyde Co.
Consumer Discretionary	United Electronics' board approves 12.5% cash dividend for H2 2017
Financials	GCC insurers to see moderation in premium growth in 2018: S&P
Transportation	Qatar Airways is set to add 30 new aircraft to its fleet in 2018
REIT	Riyad REIT's FY17 net profit more than doubles in FY 2017
Real Estate	S&P sees Dubai homes prices falling, speculative surge in 2020
Telecom	Omantel seeks approval for guarantee of \$2bn bonds by unit

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Russia interested in Saudi Aramco's partnership in Arctic LNG-2
Doha Bank	Doha Bank seeks approval to sell bonds under \$2bn program
Commercial Bank	Qatar's Commercial Bank agrees to sell 40% stake in UAB to Tabarak
Emirates NBD	Emirates NBD arranges AED 1.3bn funding for Deira Mall Project
Qatar Islamic Bank	Qatar Islamic Bank approves raising Non-Qatari ownership to 49%
ADNOC	ADNOC signs offshore concession pact with Spain's Cepsa
Agthia Group	Agthia Group plans AED 500mn for acquisitions in Saudi Arabia by 2020
Oman Gas Co.	Oman Gas Company working with banks on \$1bn bridge loan
Ahli Bank	Qatar's Ahli Bank plans \$500mn bond in second quarter
Bank Aljazira	CMA approves Bank Aljazira's request for SAR 3bn rights issue

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,525.22	4.1%	4.1%	-1.6%	\$475.2	16.7x
ADX	4,579.60	4.1%	4.1%	-0.5%	\$126.6	11.5x
DFM	3,286.54	-2.5%	-2.5%	-3.2%	\$83.5	11.6x
Nasdaq Dubai	3,351.64	1.9%	1.9%	-1.9%	NA	NA
Qatar	9,096.36	6.7%	6.7%	-1.2%	\$102.0	14.2x
Bahrain	1,351.81	1.5%	1.5%	0.1%	\$21.0	8.8x
Oman	4,972.01	-2.5%	-2.5%	-0.6%	\$14.0	12.0x

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