

## Higher oil price, strong economic data to drive markets

### IN CASE YOU MISSED IT . . .

Dubai (+5.5%) reached a four-month high earlier in the week, partly lifted by gains in Emaar Properties, and Emirates NBD, which has inked a deal to buy Turkey-based Denizbank. Saudi Arabia (+3.1%) climbed further after it hit its highest level since August 2015 on April 1, primarily buoyed by banking stocks. Kuwait (+1.7%) also touched its highest level since 2016 midweek, boosted by banks. Qatar and Bahrain made identical gains (+0.4% each). However, both Oman (-1.6%) and Abu Dhabi (-1.3%) fell for a second consecutive week. The US markets closed higher, building up on the previous week's gains, driven by the release of strong PMI report by the US and China earlier in the week, above expected US monthly jobs report and optimistic comments from the US and China's top officials over the progress of trade talks. Nasdaq (+2.7%) gained the most, followed by S&P 500 (+2.1%) and Dow (+1.9%). European indices also made solid gains as DAX (+4.2%) led its peers. STOXX 600 (+2.4%) was closely followed by CAC 40 (+2.3%) and FTSE 100 (+2.3%).

ASSET CLASS MONITOR	WTD ↓	YTD
MSCI EM	3.40%	11.90%
MSCI GCC	2.44%	11.60%
MSCI World	2.40%	13.52%
Oil	2.33%	29.00%
FTSE 100	2.32%	10.01%
S&P 500	2.27%	14.86%
Gold	0.14%	0.76%
Aluminium	-1.29%	0.13%
US Treasury	-2.41%	-0.82%

### BRENT FUTURES PRICE



COMMODITIES	WTD ↓	YTD
Oil (Brent)	-0.84%	24.72%
Oil (WTI)	-1.13%	30.59%
Gold	-1.34%	0.57%
Natural Gas	-3.86%	-7.76%

### The week ahead

#### Regional markets

Upbeat economic data from two of the world's largest economies and a positive development in the US-China trade talks should be cheered by investors this week. Both WTI and Brent hit new five-months highs last week, with the Brent price edging above the \$70 per barrel mark, largely supported by supply constraints.

This should also buoy regional markets, as higher oil prices will boost the prospects of regional economic recovery. However, the continued uncertainty surrounding Brexit might keep investors on the sidelines, given the potential negative fallout of a no-Brexit deal.

#### Global markets

The week begins with the release of the US factory orders and Germany's trade balance data (both Feb) on Monday. On Tuesday, the UK's retail sales (Mar), followed by Japan's machinery orders (Feb) will be published. Wednesday will witness announcement of the ECB's interest rate decision, US FOMC minutes, US consumer inflation (Mar) and the UK's industrial production numbers (Feb). The Bank of Japan's Governor will also deliver a speech on the same day. China's and Germany's consumer inflation (Mar) data will be out on Thursday. China's trade balance (Mar), Eurozone's industrial production (Feb) and US Michigan consumer sentiment index (prelim) for April will draw the week to a close on Friday.

#### You may be asked about

Saudi Arabian Oil Co. (Saudi Aramco) reported ~\$111bn net profit in 2018, thus emerging as the most profitable corporate on earth, surpassing \$59.5bn earnings of Apple. It generated \$355.9bn revenues in 2018. The state-owned oil giant revealed these figures for the first time in a bond-offering prospectus, as it looks to raise ~\$10bn, as stated by the country's Energy Minister earlier this year.

Saudi Aramco said the issue of bonds is not related to \$69.1bn stake purchase in SABIC. It further added that the bonds, which will not be guaranteed by the Kingdom, might be divided into tranches, having three to thirty years maturity.

#### Note to management

A busy week in the capital markets has thrown up the opportunity to examine two companies that provide great contrast and surprising similarities.

Saudi Aramco and Lyft are as different as chalk and cheese, but they have have one crucial element in common: the requirement for a solid and sustainable IR function. Without it, the questions being asked by investors will go unanswered, and their valuations and credibility will suffer.

Read our viewpoint on this story [HERE](#).

#### REGIONAL CALENDAR

08.04.2019	Employment and Wages Survey 2018	-
11.04.2019	KSA Weekly Money Supply Data	-

#### GLOBAL CALENDAR

08.04.2019	Germany Trade Balance	US Factory Orders
09.04.2019	UK BRC LFL Retail Sales	Japan Machinery Orders
10.04.2019	ECB Interest Rate Decision	US FOMC Minutes
11.04.2019	Germany Harmonized Index of Cons. Prices	China Consumer Price Index
12.04.2019	UK Brexit Deadline	Michigan Consumer Sentiment Index

## Food for thought

#### IR & BEYOND

Tadawul	Aramco And Lyft: Two Very Different Companies Face Similar Questions	<a href="#">Link</a>
EQS	Why Companies Should Use a Newswire to Distribute News	<a href="#">Link</a>
IR Magazine	Cleary Gottlieb lawyers eye improvements to quarterly reporting	<a href="#">Link</a>
FundsGlobal	HANetf launches Kuwait ETF	<a href="#">Link</a>
Ray Dalio	Why and How Capitalism Needs to Be Reformed (Part 1)	<a href="#">Link</a>

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.50	-20	-28
UK	1.11	-11	-28
Germany	0.00	-12	-49
France	0.36	-15	-37
Italy	2.47	-11	+69
Switzerland	-0.33	-1	-29
Japan	-0.04	-3	-8
Hong Kong	1.50	-	-35
India	7.35	-	+20

## GLOBAL AGENDA

<b>China</b>	Premier Li Keqiang travels to Brussels for the 21st China-EU Summit
<b>US Federal Reserve</b>	Board meets to consider
<b>Israel</b>	The country votes for Prime Ministerial elections
<b>Federal Reserve</b>	Vice Chairman Clarida speaks about the central bank's year-long review
<b>World Bank and IMF</b>	The annual Spring Meetings begin
<b>IMF</b>	Updates its World Economic Outlook
<b>FOMC</b>	Releases the minutes from its March meeting
<b>EU</b>	Leaders hold an emergency Brexit summit
<b>IEA</b>	Monthly oil market report published, including demand forecasts.
<b>Earning Releases</b>	JPMorgan, Wells Fargo, Tesco, Delta, WD-40 and Infosys

## MOST READ REGIONAL SECTOR HEADLINES

<b>Telacom</b>	Saudi Arabia grants fixed-line telecoms license to ITC
<b>Oil and Gas</b>	OPEC oil output hits four-year low on Saudi Arabian cuts
<b>Banks</b>	Saudi bank loans rise 3% in February 2019
<b>Consumer</b>	Al Hokair eyes hotel, entertainment expansions in 2019
<b>Financials</b>	BATIC scraps deals to acquire three firms
<b>Materials</b>	McDermott, Zamil Offshore sign JV deal for Saudi Aramco
<b>Industrials</b>	Saudi Ceramic gets SAR 120 mln credit for product exports
<b>Telecom</b>	SAIC extends MoU to sell Alsalam Aerospace stake
<b>Technology</b>	Network International announces pricing for up to \$3bn listing
<b>Healthcare</b>	Medicare Group announces opening of Al Wakra Clinics and Urgent Care Unit

## MOST READ REGIONAL COMPANY HEADLINES

<b>Regency Group</b>	Signs MoU with Dell to boost smart tech solutions
<b>Arkad Engineering</b>	Wins tender to build gas pipeline in Bulgaria
<b>Saudi Aramco</b>	Plans to sell Satorp, Yasref and Sadara stakes
<b>Dana Gas</b>	Said to revive plan to list on London Stock Exchange
<b>Etisalat</b>	In talks to buy stake in Kazakhtelecom
<b>Vodafone Qatar</b>	Provides access to QIBK to its 'Giganet 5G'
<b>RAKBANK</b>	Plans \$500mn sale of five-year bonds
<b>ADFG</b>	To take over SHUAA Capital in reverse merger by mid-April
<b>ADNOC</b>	KKR & Co. and BlackRock said to plan \$3bn loan for ADNOC pipelines
<b>Mashreqbank</b>	To close 12 branches as it shifts online

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	9,063.9	15.8%	2.8%	2.8%	\$577.8	17.1x
<b>ADX</b>	5,032.2	2.4%	-0.8%	-0.8%	\$136.4	12.9x
<b>DFM</b>	2,776.3	9.7%	5.4%	5.4%	\$75.0	7.4x
<b>Nasdaq Dubai</b>	3,214.2	4.6%	0.4%	0.4%	NP	NP
<b>Qatar</b>	10,189.6	-1.1%	0.8%	0.8%	\$131.9	14.2x
<b>Bahrain</b>	1,419.3	6.1%	0.4%	0.4%	\$21.7	9.3x
<b>Oman</b>	3,939.5	-8.9%	-1.1%	-1.1%	\$12.3	8.3x

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