

Regional markets likely to remain range-bound

3Q 2018 IR CALENDAR	DATE
GS CEEMEA Financials Symposium, LON	3-4 SEPT
HSBC GEMs 1x1 Conference, LON	3-6 SEPT
DB GEMs 1x1 Conference, NYC	5-6 SEPT
EFG Hermes 1x1 Conference, LON	10-13 SEPT
GS CEEMEA 1x1 Conference, LON	12-13 SEPT
Arqaam Investor Conference, DXB	24-25 SEPT

IN CASE YOU MISSED IT . . .

Most regional markets gained last week, as crude prices were fairly stable amid POTUS' call for OPEC to lower prices immediately. Qatar (+2.6%) advanced, supported by Industries Qatar and Barwa Real Estate. Dubai (+2.1%) was aided by solid gains in Emaar Properties and DAMAC. Abu Dhabi (+0.9%), Kuwait (+1.1%) and Bahrain (+1.5%) also ended in positive territory. However, Saudi Arabia (-1.6%) fell, with losses witnessed in SABIC. Oman (-1.0%) also ended in the red. US markets clocked gains, on the back of a solid monthly jobs report and upbeat trade numbers for May. NASDAQ (+2.4%) recovered the previous week's losses; S&P 500 (+1.5%) and Dow (+0.8%) also advanced. Europe ended largely in the green; The DAX (+1.5%), CAC40 (+1.0%) and Stoxx 600 (+0.6%) rose, but the FTSE 100 (-0.3%) edged down.

ASSET CLASS MONITOR	WTD ↓	YTD
US Treasury Yields	2.07%	41.73%
S&P 500	1.52%	3.22%
MSCI World	0.93%	-0.61%
Gold	0.23%	-3.63%
MSCI GCC	-0.17%	11.46%
FTSE 100	-0.25%	-0.91%
MSCI EM	-0.89%	-8.50%
Oil (Brent)	-2.93%	15.31%
Aluminum	-3.87%	-6.38%

BRENT FUTURES PRICE



COMMODITIES	WTD ↓	YTD
Gold	0.23%	-3.63%
Oil (WTI)	-0.47%	22.14%
Natural Gas	-2.26%	-3.22%
Oil (Brent)	-2.93%	15.31%

The week ahead

Regional markets

Headlines on trade continued to drive market sentiment last week, with the US commencing collection of tariffs on Chinese imports worth USD 34bn, and indicating that further rounds of tariffs may be imposed on 4 goods worth over USD 500bn. Yet, the US' stated intent to scrap previously threatened tariffs on Europe-manufactured cars may have slightly eased investor worries. Separately, with the US navy effectively cancelling out Iran's threat to block free flow of trade through the Strait of Hormuz, oil prices are unlikely to jump notably; accordingly, the regional markets may trade sideways.

Global markets

The week begins with the release of Germany's trade balance, Switzerland's unemployment rate and the UK's BRC retail sales data on Monday. On Tuesday, China's consumer inflation, the UK's GDP and Japan's machinery orders numbers will be published. Wednesday will witness the Bank of Canada's interest rate decision and Bank of England's governor's speech. The European Central Bank's report on monetary policy meeting accounts and consumer inflation data of the US and Germany will be released on Thursday. The week will end with China's trade balance numbers on Friday.

You may be asked about

Saudi Arabia commenced work on a heritage tourism project, Souq Okaz City, spread over ~10mn square meters in the new Taif city. The project is expected to cost over USD 2bn, with the private sector providing 89% of the investment. The heritage city, comprising heritage centers, museums, recreational areas and a convention center, is expected to create over 15,000 jobs, with 80% of these reserved for young Saudi nationals.

The Souq Okaz City will also develop a suburb with housing for ~750,000 people, a new international airport with capacity to handle 5mn passengers per year in Phase I, a technology hub implemented by King Abdul Aziz City for Science & Technology, Taif University and an industrial city.

Note to management

Shareholder activism has outgrown Wall Street, and has become a major factor even in passive investment vehicles. When index trackers take on the characteristics of activist, something profound is happening. We have dubbed this trend "Universal Activism".

A new generation of savers, the Millennials, are more open and supportive of environmental, social, governance and ethical elements when they invest than any generation that has gone before. And this demand from Millennials is driving the rise of Universal Activism, a trend now well-established in most global equity markets, where an increasing wall of capital is now deployed with ethical and ESG guidelines.

With its very young population and nascent equity markets, we believe that Universal Activism will be a major factor for GCC companies to contend with in future. Read here about why, and how, they should respond: [Link](#)

REGIONAL CALENDAR

11.07.2018	-	-
12.07.2018	KSA Monthly Statistical Bulletin	KSA Weekly Money Supply Data
13.07.2018	-	-

GLOBAL CALENDAR

09.07.2018	Germany Trade Balance Data	UK Retail Sales Data
10.07.2018	China Consumer Inflation Data	UK Production Data
11.07.2018	Bank of Canada Interest Rate Decision	-
12.07.2018	ECB Monetary Policy Meeting Accounts	US Consumer Inflation Data
13.07.2018	China Trade Balance Data	-

Food for thought

IR & BEYOND

Iridium / IR Magazine	Are Institutional Investors Becoming Universal Activists?	Link
Institutional Investor	What 'Long-term Investor' Really Means	Link
IPE	Securities Services: The Evolution Has Begun	Link
Bloomberg	Saudi Aramco's \$2 Trillion Zombie IPO	Link
Fortune	Swiss Stock Exchange Is Going To Trade Cryptocurrencies Like Bitcoin	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.82	-10	+44
UK	1.27	-13	-4
Germany	0.29	-19	-28
France	0.63	-19	-30
Italy	2.71	-33	+37
Switzerland	-0.17	-16	-13
Japan	0.02	-2	-6
Hong Kong	2.04	-17	+55
India	7.87	-12	+134

GLOBAL AGENDA

US President	Visits the UK to meet with Prime Minister Theresa May
ECB President	Speaks to European Parliament's Committee on Economic & Monetary Affairs
Bank of Canada	Announces a rate decision and releases its Monetary Policy Report
BoJ Governor	Haruhiko Kuroda delivers a speech in Tokyo
German Chancellor	Meets Chinese Prime Minister Li Keqiang in Berlin
US Chamber of Commerce	Hosts EU chief Brexit negotiator Michel Barnier to discuss talks with the UK and the post-Brexit relationship
Euro Finance Ministers	Meet to discuss the economic and monetary union in Brussels
US	Releases consumer inflation data
China	Publishes trade balance data
Earning Releases	JPMorgan, Wells Fargo, Citigroup, Infosys

MOST READ REGIONAL SECTOR HEADLINES

Banks	Ahli Bank files legal suit against Investment Holding Group
Energy	US President Trump tells OPEC to reduce oil prices
Financials	Qatari insurance sector's balance sheet tops QR50bn in 2017
Telecom	Ooredoo launches new IoT solution for fleet management
Consumer Staples	Almarai hikes prices by 5% on higher production costs
Transportation	IATA: Middle Eastern carriers' freight volumes grow 2.4% YoY in May
Industrials	Qatari industrial producers' earnings grow double-digit on YoY basis in May
Healthcare	Saudi health ministry launches initiatives to attract new listings
Utilities	Saudi Electricity says no installment plans under current billing system
REIT	Investor appetite for REITs ramps up in the GCC

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Saudi Aramco signs deal to make onshore oil rigs, equipment
Barwa Real Estate	Barwa Real Estate launches QR105mn project to expand Al Khor sports facilities
ADNOC	ADNOC can raise oil output if needed
ACWA Power	Saudi Arabia's PIF takes 15.2% direct stake in ACWA Power
Waha Capital	Waha Capital plans to hire for new fund targeting US, Europe
Air Arabia	Air Arabia takes delivery of two Airbus A320 aircraft
Fawaz AlHokair	Saudi business healthy; sluggish retail demand incidental: Fawaz Alhokair CFO
Saudi Enaya	Saudi Enaya to hire adviser for solvency margin requirements
SADAFCO	SADAFCO acquires 76% of Poland's Mlekoma at SAR120mn
SAIC	Saudi Advanced Industries secures SAR50mn credit facility from SAIB

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,177.6	13.2%	-1.6%	-1.6%	\$529.2	18.5x
ADX	4,603.2	4.7%	0.9%	0.9%	\$125.8	12.3x
DFM	2,880.4	-14.5%	2.1%	2.1%	\$78.4	9.3x
Nasdaq Dubai	3,152.3	-4.1%	1.6%	1.6%	NP	NP
Qatar	9,260.0	8.6%	2.6%	2.6%	\$107.8	13.8x
Bahrain	1,330.8	-0.1%	1.5%	1.5%	\$20.5	8.7x
Oman	4,523.8	-11.3%	-1.0%	-1.0%	\$12.7	11.3x

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Iridium is the GCC region's leading IR specialist.

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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