

Higher crude oil prices to boost positive sentiment

2H 2019 EVENTS CALENDAR	DATE
EFG Investor Conference, LON	9-12 SEP
Arqaam Investor Conference, DXB	23-24 SEP
JPM EM Credit Conference, LON	24-26 SEP
MEIRA Conference, DXB	25 SEP
Future Investment Initiative, RUH	29-31 OCT
GS CEEMEA Conference, LON	11-12 NOV
UBS GEMs Conference, NYC	3-5 DEC

IN CASE YOU MISSED IT . . .

Most regional markets closed up last week. Dubai (+4.8%) climbed partly aided by Emirates NBD, which rose after increasing its foreign ownership limit to 20% from 5%. Bahrain (+1.2%) was followed by Saudi Arabia (+0.4%) driven by gains in banking stocks. Kuwait (+0.3%) slightly rebounded after posting four straight weeks of losses. Qatar (+0.2%) was also supported by its banks. However, Abu Dhabi (-1.0%) was weighed down by FAB while Oman's (-0.2%) positive momentum was halted. The US markets added to the previous week's gains, driven by some positive domestic economic reports, easing tensions in Hong Kong, stimulus measures by China and announcement of tariff talks resumption between the US and China in early October. Both S&P500 and Nasdaq Composite clocked identical gains of 1.8%, while Dow Jones registered an increase of 1.5%. European indices also echoed positive sentiments, as CAC40 (+2.3%), DAX (+2.1%), STOXX600 (+2.0%) and FTSE100 (+1.0%) all moved higher.

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
MSCI EM	3.39%	3.85%
Aluminum	2.36%	-6.15%
MSCI World	2.10%	14.02%
S&P 500	1.76%	18.71%
FTSE 100	1.21%	8.07%
MSCI GCC	0.19%	3.33%
Oil (Brent)	-0.21%	13.29%
Gold	-0.56%	18.45%
US Treasury Yields	-1.01%	-19.59%

The week ahead

Regional markets

Crude oil price strengthened last week, accompanying a rally in global equities and supported by positive news flows worldwide. This is likely to lift the sentiment of regional investors. Meanwhile, Dubai-listed real estate players could witness increased activity after the emirate established a real estate planning commission to regulate project supply and avoid competition between private sector developers and quasi-government firms.

Global markets

Investors' attention will be on the ECB's interest rate decision this week, where they expect a rate cut and more details on an economic stimulus plan. In the last meeting, the ECB had kept its interest rates unchanged, but its President had hinted at a QE program to support the slowing economy. Further, political developments in the UK over its protracted Brexit decision will also help set the course for European markets. Investors are also likely to react to the US retail sales and consumer inflation data which will be helpful in assessing the strength of the economy.

You may be asked about

Global Sukuk issuance in 2019 is expected to increase by 6% (vs. +8% in 2018) to \$130 billion in 2019, Moody's Investor Service stated in a report. In 1H19, total Sukuk issuances climbed 37% YoY to \$87.4 billion, driven by 41% jump in Southeast Asia (\$53 billion), 9% increase in GCC (\$26.5 billion) and 300% surge in Turkey (\$7.9 billion). Malaysia accounted for ~41% of 1H19 total Sukuk issuances (\$36 billion; +23% YoY), while around half of GCC region's Sukuk (\$12.8 billion) were issued from Saudi Arabia. In 2H19, Moody's forecasts Sukuk volumes to moderate to \$43 billion since corporate and sovereign funding needs reduces following strong Sukuk issuances in 1H19.

Note to management

The threat of investor indifference has become very real in recent years, driven by the extraordinary rise of Environmental, Social and Governance (ESG) investing. Ignore ESG, and you could risk being ignored by a third of global investable capital.

Large pension funds are among the group of investors who have lead the charge of announcing their divestments from oil majors. Last week, MP Pensions blacklisted Shell, BP and Exxon; BNP Paribas announced that its actively managed fund range is to become 100 per cent sustainable.

The momentum seems unstoppable, and the growing importance of ESG to investment decisions is uniform across developed and emerging markets.

Read our viewpoint on the topic [HERE](#)

REGIONAL CALENDAR

08.09.2019	KSA Economic Indicators Survey Data	-
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GLOBAL CALENDAR

09.09.2019	Germany Trade Balance Data	UK Manufacturing Production
10.09.2019	China Consumer Inflation	UK Unemployment Rate
11.09.2019	Japan Machinery Orders	-
12.09.2019	ECB Interest Rate Decision	US Consumer Inflation
13.09.2019	US Michigan Consumer Sentiment Index	US Retail Sales

Food for thought

IR & BEYOND

Iridium/ IR Magazine	ESG: The key to avoiding investor indifference	Link
IPE	MP Pension blacklists oil companies including Shell, BP and Exxon	Link
Investments Europe	BNP Paribas AM targets 100% sustainability	Link
Bloomberg Blog	What should Gulf banks expect in 2H 2019?	Link
Zawya	Kuwait's CMA to sell 50% stake in Boursa Kuwait to citizens	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.56	-17	-138
UK	0.50	+2	-95
Germany	-0.64	-6	-103
France	-0.35	-3	-106
Italy	0.87	-54	-216
Switzerland	-0.98	+1	-86
Japan	-0.26	-5	-35
Hong Kong	0.97	-	-
India	6.60	+24	-142

COMMODITIES	WTD ↓	YTD
Natural Gas	6.05%	-17.18%
Oil (WTI)	-0.21%	13.29%
Gold	-0.56%	18.45%
Oil (Brent)	-0.72%	23.98%

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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For more information contact:

Iridium Advisors DMCC
Pamela Chahine, Director
ir@iridium.ae
www.iridium.ae

GLOBAL AGENDA

World Energy Congress	Energy ministers & heads of energy companies will meet in Abu Dhabi
ECB	To set monetary policy
OPEC	To release its monthly oil report
EU	EU finance ministers hold a meeting in Helsinki
US	To announce retail sales and consumer inflation numbers
Emir of Kuwait	To visit Washington to meet President Trump
BoE Governor	To deliver a speech in New York
ASEAN	Thailand hosts a meeting of ASEAN economic ministers
China	To release export and consumer inflation data
Earning Releases	Hermes, Oxford Industries, Broadcom, Abcam, etc

MOST READ REGIONAL SECTOR HEADLINES

Energy	OPEC posts first 2019 oil-output rise despite Saudi Arabia's cuts
Aviation	Kuwait Airways to spend \$2.5bn on new aircraft
Industrials	QIMD signs an agreement with Doha Bank to finance Gulf Glass Factory
Financials	Bupa Arabia spends SAR 17.74mn on employee incentive program
Telecom	Ooredoo, Atos strengthen ties to enhance cybersecurity services
Real Estate	Kuwait inks \$358mn residential city project contracts
Utility	Kuwait to launch IPO of Az-Zour water and power project in October
Banks	Islamic Development Bank hires banks to raise more than \$1bn in Sukuk
Retail	Al Othaim opens new branch in Riyadh
Consumer	SASCO inks SAR 166mn Sharia-compliant facility agreement with NCB

MOST READ REGIONAL COMPANY HEADLINES

Etihad Etisalat	Etihad Etisalat Co. seeks to cut cost of \$2.1bn debt
The Commercial Bank	CBQ closes 3-years \$250mn syndicated loan led by Mizuho Bank Limited
Emirates NBD	Emirates NBD raises foreign ownership limit to 20%, aims for 40%
Emaar Properties	Emaar Properties said to be in talks to sell Islamic Dollar bond
Bank of Sharjah	Bank of Sharjah hires banks for 5-year bond
Aluminum Bahrain	Aluminum Bahrain raising \$1.5bn loan to lower debt costs
Almarai	Almarai seeks to boost sales in new markets by 2025, says CEO
Emaar Ventures	Emaar ventures into new short-term rental business
Leejam	Leejam announces cash dividend for Q2 2019
Dar Al Arkan	Dar Al Arkan's Dubai project on track for 2022 delivery, says Chairman

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,054.8	2.9%	-8.7%	0.4%	\$515.6	20.0x
ADX	5,114.1	4.0%	2.7%	-1.0%	\$141.6	15.2x
DFM	2,890.9	14.3%	8.7%	4.8%	\$79.5	12.2x
Nasdaq Dubai	3,235.9	5.3%	3.1%	-0.3%	NP	NP
Qatar	10,253.2	-0.4%	-1.9%	0.2%	\$135.8	14.8x
Bahrain	1,551.1	16.0%	5.4%	1.2%	\$24.3	11.6x
Oman	3,997.8	-7.5%	2.9%	-0.2%	\$12.8	8.1x

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