

Saudi Aramco releases IPO prospectus

In case you missed it...

Regional markets ended mixed last week. Dubai (-1.8%) fell partially dragged down by Emirates NBD which clocked its biggest intraday fall since Dec'18 earlier last week. Kuwait (-0.5%) and Bahrain (-0.3%) remained in a downtrend. However, Oman (+1.0%) gained the most. Qatar (+0.8%) edged higher, driven by buying from foreign institutions. Saudi Arabia (+0.7%) followed, supported by some positive earnings announcements and recovery in banks. Abu Dhabi (+0.5%) rebounded slightly as FAB and Etisalat closed up. The US markets this week were buoyed primarily by optimism that the US and China are close to striking their phase I deal and favorable economic reports. The Dow Jones (+1.2%) advanced for a third straight week, followed closely by Nasdaq Composite (+1.1%). The S&P 500 (+0.9%) notched a fifth weekly gain. The main European indices also closed higher amid forecasts by the ECB that the region will witness sluggish but positive economic growth in 2H19. CAC40 (+2.2%), DAX (+2.1%), STOXX600 (+1.5%) and FTSE100 (+0.8%) all closed higher.

The Week Ahead

Regional markets

GCC markets could witness some positive sentiment, following last week's rally in most global indices. Investors might also cheer the strength in oil prices, as reports showed China's crude oil imports climbed 11.5% YoY to hit a record high in October. Investors will also look at Saudi Aramco IPO details as news reports showed Aramco released its IPO prospectus on November 9, offering up to 0.5% of shares to individual investors. In the UAE, BoD meetings of Amlak Finance, Aldar Properties, Commercial Bank International and others are scheduled to discuss 9M financial performance.

Global markets

This week investors will focus on economic reports such as GDP numbers from the US, the UK and Eurozone, as well as the US retail sales and industrial production to gain insights about global economic health. Moreover, investors will also be keen to check Japan core machinery orders, Eurozone industrial production and Germany's ZEW Economic Sentiment. Meanwhile, market participants will look out for further triggers as the third quarter reporting season comes to an end.

You may be asked about

Ratings agency Fitch predicts fiscal balances of most of the GCC countries to deteriorate by 1-2 percentage points of GDP in 2019 and 2020, assuming lower average Brent crude oil price of \$65/barrel (vs. \$71.6/barrel in 2018). As per Fitch, lower oil prices and higher spending will only be partially offset by fiscal reforms such as introducing VAT in Bahrain, excise tax in Oman and an increase in existing levies and taxes in Saudi Arabia. The ratings agency forecasts Bahrain to be the only GCC state witnessing improvement in fiscal balance this year, aided by interest-free financing from GCC allies. Saudi Arabia, Oman and Bahrain require crude oil price to average over \$80/barrel to balance their budgets.

Note to management

In uncertain times, investors look to company leaderships for their roadmaps to the future. But often companies will keep their plans to themselves, and risk surprising investors with strategic decisions which might have been better received if they had been better flagged. This week, we take a look at company strategy in uncertain times, including whether or not to continue returning cash to shareholders. Read our viewpoint [HERE](#).

2H 2019 EVENTS CALENDAR	DATE
GS CEEMEA Conference, LON	11-12 NOV
UBS GEMs Conference, NYC	3-5 DEC

EARNINGS CALENDAR	Market	Est/Conf	Date
Air Arabia	UAE	C	10 NOV
SALAMA	UAE	C	10 NOV
Dubai Insurance	UAE	C	10 NOV
Al Sagr Nat. Ins.	UAE	C	12 NOV
National Cement	UAE	C	12 NOV
DAMAC Properties	UAE	C	12 NOV
Al Firdous Holding	UAE	C	12 NOV
GGICO	UAE	C	13 NOV

BRENT FUTURES PRICE



Q3 RESULTS	PROFIT (mn)	Y-O-Y%
Abu Dhabi National Oil Co	AED549.0	-1.6%
Saudi Ground Services Co	SAR120.2	29.7%
Emaar Malls	AED600	12.1%
Orient Insurance	AED82.2	-18.0%
SEC	SAR2,679.0	-45.6%
Orient Insurance	AED82.2	-18.0%
Ras Al Khaimah Ceramics	AED39.1	1.8%
SALAM	BHD4.9	19.3%
Al Othaim Markets Co	SAR75.4	38.8%
BSFR	SAR880.0	-6.7%
Saudi Airlines Catering Co	SAR142.0	-0.4%
SABB	SAR1,061.0	-0.1%

REGIONAL CALENDAR

14.11.2019	KSA Quarterly Monetary and Banking Report	KSA Industrial Activity Survey
15.11.2019	Abu Dhabi non-oil foreign merchandise data	-

GLOBAL CALENDAR

11.11.2019	UK GDP	China YTD FDI
12.11.2019	UK Unemployment Rate	Germany Economic Sentiment
13.11.2019	Japan GDP	US Consumer Inflation
14.11.2019	Germany GDP	Eurozone GDP
15.11.2019	US Retail Sales Control Group	Eurozone Consumer Inflation

Food for thought

IR & BEYOND

IR Magazine / Iridium	Uncertainty is 20/20 in 2020	Link
Saudi Aramco	IPO Prospectus	Link
Khaleej Times	Capital inflows to Mena to jump 21% to \$200b in 2019: IIF	Link
IPE	ESG roundup: EU benchmarks, disclosure regs get final rubber stamp	Link
ESG Clarity	MSCI creates two sets of climate indices	Link

Sunday, 10.11.2019

ASSET CLASS MONITOR	WTD ↓	YTD
Aluminium	3.51%	-2.22%
US Treasury	1.97%	-36.73%
MSCI EM	1.49%	10.26%
Oil	1.33%	16.19%
S&P 500	0.85%	23.39%
MSCI World	0.83%	19.22%
FTSE 100	0.78%	9.38%
MSCI GCC	0.69%	0.05%
Gold	-3.65%	13.76%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.94	36	-124
UK	0.79	33	-70
Germany	-0.26	29	-67
France	0.02	24	-76
Italy	1.19	32	-221
Switzerland	-0.45	34	-41
Japan	-0.07	15	-18
Hong Kong	1.51	-	-77
India	6.56	-	-121

COMMODITIES	WTD ↓	YTD
Natural Gas	2.76%	-5.14%
Oil (WTI)	1.85%	26.05%
Oil (Brent)	1.33%	16.19%
Gold	-3.65%	13.76%

About Iridium

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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GLOBAL AGENDA

Chinese President	To visit Greece and meet with Prime Minister Kyriakos Mitsotakis
EU Foreign Ministers	To meet in Brussels
US President	To deliver a speech at the Economic Club of New York
ECB	Supervisory board chair Andrea Enria to speak in Brussels
Turkish President	Scheduled to meet with President Donald Trump
Fed Chairman	To address the Joint Economic Committee of Congress
ECB	Governing council member Klaas Knot to speak in Frankfurt
OPEC	To release monthly oil market report
U.S.	Secretary of State Michael Pompeo to give a speech
Earning Releases	Vodacom, Walmart, Eletrobras, Cisco, Nissan

MOST READ REGIONAL SECTOR HEADLINES

Aviation	Oman's GACA approves new airport charge
Textiles	Sohar textiles cluster to unlock opportunities for Omani SMEs
Energy	OPEC October oil output jumps on swift Saudi Arabian recovery
Tourism	Saudi Alakaria signs \$5bn deal with Triple 5 to develop tourist destination
Renewable Energy	IRENA: GCC to save \$76bn by 2030 from renewable energy adoption
Entertainment	Saudi Arabia to set up giant family entertainment district at Diriyah
Bank	National Bank of Bahrain makes offer to buy Bahrain Islamic Bank
Real-estate	Saudi Arabian mall operator Arabian Centres plans debut Dollar bond sale
Food Sector	Investcorp launches \$500mn fund to invest in Asian food sector
Ports & Maritime	Marafi launches expanded quay wall at Al Suwaiq Port

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Expects 2020 capex in between \$35bn-\$40bn
ADNOC	Scraps fee for assistance in filling fuel
Shell Oman	Sign strategic agreement with Al Tasnim Group
Arab National Bank	ARNB posts 14.2% YoY rise in net profit to SAR834.8mn in 3Q2019
DP World	DP World's joint venture wins concession for Port 2000 in Le Havre
RAK Properties	Allocates \$817mn for new projects
NBK	Kuwait's NBK, KFH arrange \$1.2bn facility for Kuwait Petroleum Corp.
BSFR	Net profit falls 6.7% YoY to SAR880mn in 3Q2019
Saudi Re	Announces maintaining an 'AA+' Insurance Financial Strength Rating
SALAM	Posts 19.3% YoY rise in net profit to BHD4.9mn in 3Q2019

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,798.3	-0.4%	-3.6%	-3.6%	\$494.9	20.1x
ADX	5,131.4	4.4%	1.5%	1.5%	\$141.1	15.4x
DFM	2,698.8	6.7%	-3.0%	-3.0%	\$74.3	10.7x
Nasdaq Dubai	3,143.6	2.3%	-0.4%	-0.4%	NP	NP
Qatar	10,274.6	-0.2%	-0.9%	-0.9%	\$141.2	14.9x
Bahrain	1,518.3	13.5%	0.1%	0.1%	\$23.7	11.4x
Oman	4,040.6	-6.5%	0.6%	0.6%	\$13.2	7.5x

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