

Deceleration in global growth to strain regional markets

IN CASE YOU MISSED IT . . .

Most regional markets ended lower, with Abu Dhabi (-4.3%) registering its worst daily fall in eight months during the week, dragged down by a weak performance of First Abu Dhabi Bank. Qatar (-3.3%) too ended deep in the red to a five-month low, as blue-chip stocks fell. Dubai (-1.6%) was impacted by weak performance of realty sector heavy-weights such as Emaar Properties. Oman (-0.8%) and Bahrain (-0.3%) also inched down. Saudi Arabia (-0.2%) edged lower, largely due to sell-off in banking stocks on reports that the Kingdom is planning to raise Islamic tax on local banks. However, Kuwait remained broadly unchanged. The US markets ended the week in the red, weighed down by lowering of growth forecast by China and the European Central Bank, slump in China's exports, and below expected US Feb jobs report. The indices posted biggest weekly declines till date in 2019; NASDAQ fell 2.5%, while Dow and S&P 500 (-2.2% each) clocked similar losses. Europe also closed largely down; DAX (-1.2%), STOXX 600 (-1.0%) and CAC 40 (-0.6%) fell. FTSE 100 ended flat, however.

FY18 RESULTS	PROFIT (mn)	Y-O-Y%
Arabian Cement	-SAR 26.2	NA
Alliance Insurance	AED 51.3	+6.4%
United Electronics	SAR 161.2	+15.1%
SPIMACO	SAR 100.8	-32.1%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
FTSE 100	1.17%	6.38%
Oil	0.41%	23.23%
US Treasury	0.00%	0.00%
MSCI EM	-0.70%	8.05%
MSCI World	-1.12%	9.26%
S&P 500	-1.28%	9.66%
MSCI GCC	-1.29%	5.06%
Gold	-2.11%	0.24%
Aluminium	-2.75%	-1.50%

The week ahead

Regional markets

Weak economic data from both the US and China indicates that global economic growth is decelerating, which may weigh on the sentiment of market participants. With the European Central Bank slashing its growth forecast for the Eurozone, investors will keep a close watch on the upcoming parliamentary vote on Brexit in Britain. The markets will also look forward to additional concrete developments related to the US-China trade deal as catalysts, with positive news expectedly priced-in already. Salam International Investment, National Takaful, Dubai Investments and Ezdan Holding Group are scheduled to report FY2018 earnings this week.

Global markets

The week begins with the release of US retail sales and German industrial production data for January on Monday. Tuesday will see the crucial UK parliamentary vote on Brexit, release of the US consumer inflation (Feb) and the UK's industrial & manufacturing production (Jan) data. Wednesday's releases include the US' durable goods orders (Jan) and the UK's budget report. China's retail sales and industrial production statistics (both for Feb), Germany's harmonized consumer price index (Feb) and the US' new home sales (Jan) data will be released on Thursday. The Bank of Japan's monetary policy statement, Eurozone's consumer inflation (Feb) and the US' Michigan Consumer Sentiment Index (preliminary) for March will draw the week to a close on Friday.

You may be asked about

Saudi Arabia's housing minister, Majed al-Hogail, stated last week that home ownership in the Kingdom is growing between 6-7% annually and hopes it to reach 15,000 new households per month by 2020 from 10,000 currently. The Kingdom's housing ministry aims for 60% Saudi home ownership by 2020 and is coordinating with local banks to aid developers in increasing the supply of affordable units. The minister said he also expects investments in the real estate financing sector to reach SAR60-80bn (~\$21bn) in 2019, with SAR4.7bn already achieved in January. Further, the move should reinvigorate the economy as part of a long term plan to increase the share of non-oil sector in the nation's GDP.

Note to management

Some investment funds are starting to look a little like a Pot Noodle: they have gained the ability to transform into something delicious through the addition of a simple element. And the funds industry is starting to worry.

We have written before about the unstoppable rise of Environmental, Social and Governance (ESG) as investment criteria. Now, though, a new risk is being identified arising directly from the demand for ESG funds, which could cause a major regulatory crisis in the industry.

Click [HERE](#) to read about the latest threat to the asset management industry, and why good intentions might lead to a revolution in the industry.

REGIONAL CALENDAR

11.03.2019	KSA Industrial Production Survey 3Q18	-
14.03.2019	KSA Weekly Money Supply Data	-

GLOBAL CALENDAR

11.03.2019	US Retail Sales Control Group	Germany Trade Balance
12.03.2019	US CPI ex-Food & Energy	UK Parliamentary Vote on Brexit
13.03.2019	EU Industrial Production	Japan Machinery Orders
14.03.2019	Germany Harmonized CPI	US New Homes Sales
15.03.2019	BoJ Monetary Policy Statement	EU Consumer Price Index

Food for thought

IR & BEYOND

Iridium	Pot Noodle Funds: Just Add ESG	Link
IPE	EU sets out plan for investor sustainability disclosure rules	Link
Institutional Investor	Norway's Gargantuan Pension Fund Will Drop Oil Investments	Link
ETF Express	Invesco's Saudi Arabia ETF raises USD315m	Link
Citywire Middle East	East Capital closes equity fund with exposure to MENA	Link

EARNINGS CALENDAR	Market	Est/ Conf	Date
National Takaful	UAE	C	10 Mar
Ezdan Holding Group	Qatar	C	10 Mar
Al Mazaya Holding	UAE	C	10 Mar
UNIKAI Foods	UAE	C	10 Mar
Investment Holding Group	Qatar	C	12 Mar
Dubai Investments	UAE	C	12 Mar
Al Khaleej Takaful	Qatar	C	12 Mar

COMMODITIES	WTD ↓	YTD
Natural Gas	1.92%	-2.52%
Oil (Brent)	0.41%	23.23%
Oil (WTI)	-0.98%	24.77%
Gold	-2.11%	0.24%

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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

China	Li Keqiang to announce an economic growth target
US President	Expected to release proposed fiscal 2020 budget
South Korea	President Moon Jae-in continues a multi-nation Southeast Asian trip
EU	Finance ministers meet to assess progress on Greek reforms and the Euro-zone budget
UK	House of Commons votes on Theresa May's revised Brexit deal
EU Parliament	To vote on a measure tied to Huawei Technologies
EU	Danish lawmakers to discuss a possible referendum on joining EU's Banking Union
European Union	Ambassadors discuss Brexit
Bank of Japan	Monetary policy decision
Earning Releases	Adidas, Cathay Pacific, Adobe, Rothschild, Adobe, Broadcom and Deutsche

MOST READ REGIONAL SECTOR HEADLINES

Real Estate	Saudi Arabia sees up to \$21bn investment in housing sector in 2019
Financials	Aabar Investments sells 191mn shares of RHB Bank
E-commerce	Uber in advanced talks to buy Middle East rival Careem
Insurance	MedGulf inks medical insurance deal with SPA
Utility	UAE approves AED5.8bn for water and energy projects in northern areas
Logistics	Hamad Port's second container terminal to be operational by next year
Petrochemical	APICORP signs SAR1.5bn Islamic loan provided by Saudi Arabian banks
Consumer	Food storage project to boost downstream industries: Qatar Chamber
Banking	Loans given by Qatari banks rise 3.12% YoY to QAR949.67bn in January
Telecom	Ooredoo and Atos partner to drive Qatar's digital transformation

MOST READ REGIONAL COMPANY HEADLINES

Qatar Petroleum	To make major gas find off shore Cyprus with ExxonMobil
GWCS	Announces establishment of new subsidiaries
CBQK	Marks syndicated loan closure with banks
QIIK	Lists \$500mn Sukuk on the LSE
Jabal Omar	Starts private placement of up to \$533mn Sukuk
EFG Hermes	Advising on \$500mn M&A deal in Saudi Arabia, more in pipeline
Saudi Aramco	Algeria seeks to supply oil to Saudi Aramco refinery in South Korea
Kuwait Petroleum Corp	Signs MoU with Britain
ADCB	Seeks approval for \$1bn in Tier capital instruments
Dana Gas	Signs 20-year gas sales deal with Iraq's KRG along with Crescent

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,479.2	8.3%	8.3%	-0.2%	\$542.7	18.7x
ADX	4,914.4	0.0%	0.0%	-4.3%	\$134.1	13.8x
DFM	2,594.5	2.6%	2.6%	-1.6%	\$70.1	8.3x
Nasdaq Dubai	3,120.3	1.5%	1.5%	-3.6%	NP	NP
Qatar	9,781.2	-5.0%	-5.0%	-3.3%	\$133.1	13.7x
Bahrain	1,408.9	5.4%	5.4%	-0.3%	\$21.3	9.0x
Oman	4,112.9	-4.9%	-4.9%	-0.8%	\$12.7	8.6x

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