

Saudi Aramco to host its first earnings call on 12 August

2H 2019 EVENTS CALENDAR	DATE
HSBC GEMs conference, LON	3-5 SEP
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 . . .

Regional markets largely fell last week. Qatar (-5.4%) declined the most after registering its biggest single-day loss since 5 June 2017 earlier last week. Abu Dhabi (-2.5%) ended in the red as both the market heavyweights FAB and Etisalat slipped further. Dubai (-2.2%) reversed its previous week's gain weighed down by property and financial stocks. Saudi Arabia (-1.3%) was partly dragged down by weakness in banking stocks and disappointment over some earnings releases. Kuwait and Bahrain also edged lower (-0.5% and -0.4%, respectively). Oman (+2.2%), however, added to its gains. The US markets also closed lower, falling sharply earlier last week after China let its currency to weaken to over a 10-year low versus the US dollar. The indices later recouped some losses as China's central bank moved to limit the fall in Yuan and on bargain buying. Dow Jones (-0.7%), Nasdaq Composite (-0.6%) and S&P500 (-0.5%) all fell slightly. European indices slid as all the major indices, FTSE100 (-2.1%), STOXX600 (-1.7%), DAX (-1.5%), and CAC40 (-0.6%) continued their down move.

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THE WEEK AHEAD

Regional markets

Regional markets will witness limited activity as most of them will remain closed at least for three trading days on account of Eid Al-Adha holiday. Yet, investors will keenly follow Saudi Aramco's 1H19 earnings call ([LINK](#)) on 12 August to gain an insight into the company's future plans, particularly its listing. Movement in crude oil prices might also direct markets when some of them open later this week as the Brent crude oil price fell sharply to below \$60 per barrel mark last week partly due to concerns over tapering global demand.

Global markets

Investors' focus this week will be on the retail sales figures posted by major economies (the US, the UK and China) and corporate earnings of key retailers like Macy's, Walmart, Alibaba, Tapestry and JCPenney, which should aid in gauging the health of the global consumer sector. Further, investors will also closely monitor movements in treasury yields and Chinese currency which has witnessed volatility lately on account of trade worries and global growth concerns. Meanwhile, a slew of key economic data (US consumer inflation, Eurozone & Germany's GDP, China's industrial production, among others) slated this week will provide investors a chance to gauge the health of the global economy.

Q2 RESULTS	PROFIT (mn)	Y-O-Y%
Jarir	SAR 169.1	+4.0%
ADNOC	AED 595.0	+2.9%
Arabian Cement	SAR 37.3	NA
Saudi Ceramic	SAR -16.1	NA

You may be asked about

Initial Public Offering (IPO) activity in the Middle East & North Africa (MENA) region picked pace in 2Q19, with the IPO deal value surging 222.6% YoY to \$2.82 billion, EY's latest 'MENA IPO Eye' report stated. Although the deal volume decreased 33.3% YoY to six (including one REIT listing), it was a considerable improvement as compared to a single IPO worth \$57.6 million in 1Q19. Moreover, the IPO deal value in 1H19 almost exceeded the total IPO value raised during the entire year 2018, according to Gregory Hughes, MENA IPO Leader EY. Saudi Arabia led the region's IPO activity as \$1.02 billion were raised through three listings.

ASSET CLASS MONITOR	WTD ↓	YTD
Gold	3.86%	17.03%
S&P 500	-0.52%	17.20%
Aluminium	-1.11%	-7.04%
MSCI World	-1.52%	12.51%
MSCI GCC	-2.34%	6.87%
US Treasury	-2.42%	-17.55%
MSCI EM	-3.93%	1.92%
FTSE 100	-3.94%	8.29%
Oil	-5.16%	6.65%

Note to management

Australian banking group ANZ has announced that it will no longer pay bonuses based on individual performance. Instead, from October this year, staff will be paid a "Group Performance Dividend", which is based on the bank's performance from a risk, financial, customer, people and reputation perspective. This is a radical move, designed to reform the culture of the bank, following a very public misconduct scandal. How will it play out? Read our thoughts on the topic [HERE](#)

GLOBAL CALENDAR

12.08.2019	China FDI Data	US Monthly Budget Statement
13.08.2019	US Consumer Price Index	UK ILO Unemployment Rate
14.08.2019	China Industrial Production Data	Germany GDP Data
15.08.2019	US Retail Sales Control Group	US Industrial Production Data
16.08.2019	US Housing Starts Data	US Building Permits Data

Food for thought

IR & BEYOND

Iridium	Is this the end of bonus culture?	Link
IR Magazine	Hedge funds to increase the amount they invest based on ESG criteria	Link
Arabian Business	UAE firms launching IPOs abroad a 'troubling sign'	Link
IPE	SEC proposes revised corporate disclosure rules	Link
Bloomberg Blog	Why machine learning hasn't made investors smarter	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.74	-32	-113
UK	0.48	-27	-76
Germany	-0.58	-27	-89
France	-0.27	-25	-94
Italy	1.80	+7	-118
Switzerland	-0.98	-38	-81
Japan	-0.23	-10	-32
Hong Kong	0.99	-37	-
India	6.48	-6	-127

GLOBAL AGENDA

India	Foreign Minister Subrahmanyam Jaishankar visits China
USDA	To release World Agricultural Supply and Demand Estimates (WASDE)
Italy	Senate president to meet party leaders to fix date for a no-confidence vote
New York Fed	To release its 2Q19 Household Debt and Credit Report
German Chancellor	Angela Merkel to meet Lithuanian President Gitanas Nausėda in Berlin
Argentina	Voters to decide who'll be on the ballot for president and vice president
Indonesia	President Joko Widodo to present annual budget
OPEC	To issue its Monthly Oil Market Report
Portugal	Truck drivers unions to begin a strike
Earning Releases	Tencent, Alibaba, Walmart, Barrick Gold, Carlsberg, Swisscom and Telstra

MOST READ REGIONAL SECTOR HEADLINES

Real Estate	Dubai's prime residential property prices fall in 1H19 by 1.9%
Banks	Qatar Central Bank cuts lending rate by 25bps
Industrials	Amiantit board recommends capital cut
Utility	Kahramaa receives five bids from leading firms for solar plant
Entertainment	QCFDC studying land acquisition proposal at Najma
Consumers	Almarai finalizes acquisition of additional stake in poultry subsidiary
Logistics	Over 18% increase in arrival of vessels at Qatar ports in July
Education	National Education launches Al-Qassim Campus ahead of schedule
Capital Goods	Saudi Cable submits request for approval of SAR250mn capital increase
REIT	Al Ma'athar REIT secures SAR400mn funding

MOST READ REGIONAL COMPANY HEADLINES

ADNOC	Acquires 10% stake in Vitol oil-storage unit
AGTHIA	Plans acquisition in Gulf region
Investcorp	Raises \$436mn loan to refinance debt
Saudi Aramco	India raises cost of refinery project with Saudi Aramco by 36%
Arabian Centres	Inks multiplexes deal with local cinema chain
Al Sorayai	Gets CMA approval on 71% capital cut
Jarir	Announces opening of a new showroom in Riyadh
Shuaa Capital	Complete Abu Dhabi Financial Group merger with capital increase
Milaha	Signs recycling pact with Elite Paper
Alhokair	To buy Innovative Union for SAR340mn

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,550.2	9.2%	-3.1%	-2.1%	\$544.0	20.8x
ADX	5,097.2	3.7%	2.4%	-4.2%	\$139.4	14.9x
DFM	2,838.0	12.2%	6.7%	-2.8%	\$77.2	11.8x
Nasdaq Dubai	3,242.3	5.5%	3.3%	-4.5%	NP	NP
Qatar	9,834.8	-4.5%	-5.9%	-6.4%	\$129.3	14.6x
Bahrain	1,543.6	15.4%	4.9%	-0.3%	\$24.1	11.4x
Oman	3,861.5	-10.7%	-0.6%	2.7%	\$12.3	7.7x

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