

## Volatility expected on the back of oil and market jitters

1Q 2018 IR CALENDAR	DATE
HSBC Investor Conference, RUH	26-27 FEB
HSBC Equity Forum, DXB	28 FEB-1 MAR
EFG Hermes 1x1 Conference, DXB	5-7 MAR

### IN CASE YOU MISSED IT . . .

The Dow plunged nearly 1,600 points on 5 Feb 2018 to close down 1,175 points (-4.6%), its sharpest single-day decline in history. The VIX jumped 116% on the same day, its highest daily percentage jump on record. This sent fear across global markets, including the GCC. Qatar (-3.4%) led the plunge, under pressure from real estate stocks and mixed corporate earnings. Saudi Arabia (-3.1%) followed, due to some weaker than expected results as well as profit booking in cement stocks. Dubai (-2.5%) and Bahrain (-1.8) also posted significant losses, while Oman (-0.6%), Kuwait (-0.5%) and Abu Dhabi (-0.3%) ended moderately lower. US markets posted record losses, despite the gains witnessed on Friday, with the Dow (-5.2%), S&P (-5.2%) and Nasdaq (-5.1%) all recording the steepest weekly decline in about two years. A similar trend was seen in Europe with the Stoxx Europe 600 (-4.2%), DAX (-4.8%) and FTSE 100 (-4.3%) posting record losses.

FY 17 RESULTS	PROFIT (mn)	Y-O-Y%
Ma'aden	SAR 714.8	NA
Dubai Financial Market	AED 232.9	-8.1%
Deyaar Development	AED 130.4	-39.6%
Abu Dhabi Islamic Bank	AED 2,300	+17.7%
Saudi Advanced Ind.	SAR 30.6	+152.3%
Zain Bahrain	BHD 4.306	+1.2%
NCB	SAR 9,802	+5.2%

### BRENT SPOT PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
US Treasury Yields	4.73%	11.51%
Gold	-1.26%	1.06%
MSCI GCC	-3.03%	2.61%
Aluminum	-3.86%	-4.46%
FTSE 100	-4.72%	-7.74%
S&P 500	-5.16%	-2.02%
MSCI World	-5.75%	-2.36%
MSCI EM	-7.15%	-1.35%
Oil (Brent)	-8.44%	-6.10%

### The week ahead

#### Regional markets

Besides the market equity market fears weighing heavily on the prospects for regional markets this week, Brent Crude \$63 (-8%) and US Crude \$59 (-9.6%) were also sharply down for the week. While the price gains in US markets on Friday may help to calm investor's nerves a bit, the continued decline in crude oil prices is very likely to weigh on most regional markets. A few major corporate are expected to publish results this week, which could influence the direction of markets (Emaar Properties, Etisalat and Ooredoo).

#### Global markets

The week starts with China credit and FDI data on Monday, followed by UK inflation figures on Tuesday along with the US Redbook index. On Wednesday, Japanese and Eurozone Q4 GDP data will be released. Investors will closely follow US inflation figures, to be released later the same day, along with retail sales numbers. On Thursday, Eurozone trade balance, and US jobless claims and industrial production data will be published, followed by UK retail sales and US housing numbers.

#### You may be asked about

Stronger than expected US wage growth data led to speculation of higher inflation and resultant accelerated interest rate hikes by the Federal Reserve. This caused a sharp increase in US bond yields and a sell-off in US equities, which spread to global markets. Volatility surged (116% in one day on 5 Feb), after an extended period of calm, as the Dow moved within a 2,000 point range last week, with the highest one-day plunge (-1,600 point) on record. Month-to-date, both MSCI World Index (-7.52%) and MSCI Emerging Market Index (-8.91%) are also showing weakness.

#### Note to management

Carillion, the multinational with strong ties to the Middle East, collapsed in January. Now the company is under investigation by the UK Financial Conduct Authority for the timeliness and content of its corporate announcements. We believe this provides a case study of one of the ways in which IR can add huge value to a firm - but not in a way you might expect.

The story begins about twelve months ago, when the company - then advised by PR firm Bell Pottinger - told shareholders at its annual meeting that it had "made an encouraging start to the year". The majority of analysts had the company listed as a "Hold" or "Buy" rating.

But to some observers, the company was growing on unstable foundations. Contracts were won through unrealistically low bids, and assumed future profits were being added to the financials before they were realised.

Read our thoughts on Carillion, failure, and how IR could act to avert similar situations: [Link](#)

### REGIONAL CALENDAR

12.02.2018	-	-
13.02.2018	-	-
14.02.2018	-	-
15.02.2018	KSA Weekly Money Supply	-

### GLOBAL CALENDAR

13.02.2018	UK Retail Sales	UK Consumer Inflation
14.02.2018	Eurozone Q4 2017 GDP (preliminary)	US Retail Sales
15.02.2018	US Industrial Production	-
16.02.2018	US Housing Data	-

## Food for thought

### IR & BEYOND

Iridium	Lessons from Carillion: Can IR help management avoid failure?	<a href="#">Link</a>
Euromoney	The death of private banking...	<a href="#">Link</a>
The Economist	Boo! The markets deliver a shock to complacent investors	<a href="#">Link</a>
Bloomberg	One month with MiFID II	<a href="#">Link</a>
Forbes	Activism 2018 - Is Shareholder Engagement Changing?	<a href="#">Link</a>

EARNINGS CALENDAR*	Market	Est/ Conf	Date
Ooredoo QPSC	Qatar	C	11 Feb
Arab National Bank	KSA	E	11 Feb
Banque Saudi Fransi	KSA	E	11 Feb
Samba Financial Group	KSA	E	11 Feb
Air Arabia PJSC	UAE	E	11 Feb
Riyad Bank	KSA	E	13 Feb
DAMAC Properties Dubai	UAE	E	13 Feb
Emaar Malls PJSC	UAE	E	14 Feb
Emaar Properties PJSC	UAE	E	14 Feb
Aldar Properties PJSC	UAE	E	14 Feb
Etisalat	UAE	E	14 Feb
Du	UAE	E	14 Feb
Drake & Scull International	UAE	E	14 Feb
Etihad Etisalat Co	KSA	E	14 Feb
Saudi Cement	KSA	E	14 Feb
Dallah Healthcare	KSA	E	14 Feb

\*Courtesy of Arqam Capital Research

## 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.

We hope you enjoy IR Brief. We are always here to help you advance your IR activities. Please don't hesitate to let us know if we can be of assistance in any way.

### For more information contact:

Iridium Advisors DMCC  
Pamela Chahine, Director  
+971 4 374 5757  
ir@iridium.ae  
www.iridium.ae

## GLOBAL AGENDA

US	POTUS will release his 2019 budget plan
Japan	Prelim. Q4 GDP numbers
Eurozone	Prelim. Q4 GDP numbers
China	Money supply, new loans and FDI data
US	Inflation numbers and retail sales figures
Germany	German Central Bank President speech
Australia	Australian Central Bank Governor speech
Major Earnings	Coca Cola, PepsiCo, Nestle, Credit Suisse
China	New year holidays

## MOST READ REGIONAL SECTOR HEADLINES

Banks	Qatar Islamic Bank sells its 60% stake in Asian Finance Bank
Retail	Qatar 's Mannai seeks to raise \$600 million from bond sale
Energy	ADNOC signs 15-Year gas sales deal with Dubai Supply Authority
Industrials	Industries Qatar's steel unit signs off-take pact with Muntajat
REIT	Jadwa REIT Saudi Fund to debut on Tadawul this week
Financials	S&P: VAT to hurt UAE insurers' performance in 2018
Transportation	Qatar Airways takes delivery of 4th Gulfstream G650ER executive jet
Cement	Saudi Cement recommends dividend of SAR1.75 per share for H2 2017
Real Estate	DAMAC Properties in talks with banks for possible dollar Sukuk issue
Telecom	Saudi Telecom signs \$1.8 billion accord for soccer rights

## MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Saudi Aramco, Petronas are said to near \$8 billion loan deal
Qatar National Bank	Qatar National Bank raises \$3.5 billion from syndicated loan
Dana Gas	Abu Dhabi investor Goldilocks raises its stake in Dana Gas
Qatar Islamic Bank	Qatar Islamic Bank sells its 60% stake in Asian Finance Bank
Masraf Al Rayan	Masraf Al Rayan, Amwal to list ETFs this quarter
First Abu Dhabi Bank	First Abu Dhabi Bank gets securities license in Saudi Arabia
Savola	Savola plans SAR 1/share dividend for 2017
SABIC	SABIC's PMMA plant to begin commercial operations in March
KFH Capital	Kuwait's KFH Capital arranges \$1bn Sukuk issue for Dubai Islamic Bank
Al Othaim	Al Othaim's FY17 net profit nearly doubles on higher sales

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,403.15	2.4%	2.4%	-3.2%	\$467.8	17.1x
ADX	4,599.47	4.6%	4.6%	-0.1%	\$127.0	11.8x
DFM	3,325.62	-1.3%	-1.3%	-2.0%	\$83.9	22.0x
Nasdaq Dubai	3,385.14	2.9%	2.9%	-0.9%	NA	Na
Qatar	8,893.27	4.3%	4.3%	-3.4%	\$100.2	14.3x
Bahrain	1,333.02	0.1%	0.1%	-1.3%	\$20.7	7.7x
Oman	5006.62	-1.8%	-1.8%	0.1%	\$14.1	11.9x

DISCLAIMER: The information provided in this newsletter is for information purposes only and should not be construed in any way as business, financial or investment advice nor as a recommendation to buy, sell, or hold any particular security. Iridium Advisors believes the information in this newsletter to be accurate, but does not verify its accuracy, timeliness, completeness for any particular purpose and/or non-infringement. Iridium Advisors does not bear any responsibility whatsoever to provide any updates, corrections or changes to the information in this document, nor will it accept liability for any damages or losses in connection with the use of this document.