

Oil prices and regional data to set course for markets

2H 2019 EVENTS CALENDAR

	DATE
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 closed mixed last week. Kuwait (-4.5%) was the top loser in the region. Saudi Arabia (-2.8%) slipped to an eight month low on September 11 as investors' interest in Saudi stocks waned on perceived high valuations. Abu Dhabi (-0.4%) edged lower weighed down primarily by Etisalat and ADCB, Bahrain (-0.3%) fell slightly, whereas Dubai (-0.1%) closed marginally lower. Qatar (+2.0%) gained as foreign and domestic institutions remained net buyer for a second week. Oman (+0.6%) regained positive momentum. The US markets continued to strengthen, partly owing to the interest rate cut by the ECB, and indications of easing trade tensions between the US and China after POTUS announced a delay of tariff hikes. The Dow Jones (+1.6%) rose the most, followed by S&P500 (+1.0%) and Nasdaq Composite (+0.9%). European indices also advanced, as DAX (+2.3%), STOXX600 and FTSE100 (+1.2%, each), and CAC40 (+0.9%) all closed in the positive territory for another week.

BRENT FUTURES PRICE



ASSET CLASS MONITOR

	WTD ↓	YTD
MSCI EM	1.93%	5.86%
MSCI World	1.34%	15.55%
S&P 500	1.13%	20.05%
Aluminum	1.11%	-5.11%
FTSE 100	1.01%	9.16%
Oil (Brent)	-0.94%	12.23%
US Treasury Yields	-1.02%	-20.41%
Gold	-1.30%	16.90%
MSCI GCC	-2.16%	1.10%

The week ahead

Regional markets

Regional markets might commence the trading week on a cautious note amid news of drone attacks on Saudi Aramco's crude oil processing facilities by Houthi rebels, who pledged more such assaults in the future. This is likely to lead to higher oil prices, according to industry experts. Investors, however, may take solace from some positive economic reports, such as the Saudi jobless rate falling to 12.3% in 2Q 2019 (vs. 12.5% in 1Q 2019) and the UAE economy expanding 2.8% YoY in 1Q 2019.

Global markets

Investors' focus this week will be on the monetary policy decisions by major central banks (US, UK and Japan), amid interest rate cut and stimulus package announcements made by the ECB last week. While a 25bps rate cut is anticipated by the Fed owing to slowing global growth, the BoE is not expected to slash rates. Meanwhile, the British PM and the European Commission President are scheduled to meet this week amid the Brexit deadlock. Further, investors will also closely monitor key corporate earnings (FedEx, General Mills, Adobe, Next, etc) slated this week.

You may be asked about

Saudi Aramco's CEO Amin Nasser said last week that the much anticipated IPO of the company will soon take place on the Saudi Stock Exchange (Tadawul). The most profitable company on the planet reportedly plans to sell 1% of its stake on Tadawul before the end of 2019 and another 1% next year. Nasser also stated the likelihood of listing Aramco on a foreign bourse at a later stage, although he did not name any specific geography. Analysts currently value Saudi Aramco at around \$1.5 trillion, below the target estimate of ~\$2 trillion communicated by Saudi Crown Prince Mohammed bin Salman earlier. Meanwhile, the Wall Street Journal reported that global investment banks have initiated the underwriting process for the IPO.

Note to management

Investors need nerves of steel in 2019. All the current economic, business and social commentary seems negative, with a host of evidence points lining up to prove that the next recession is nigh.

How should companies think about IR when investors all seem to be running for the hills? When risk is highest, IR is most valuable.

Read our tips for great IR in the next economic downturn [HERE](#)

REGIONAL CALENDAR

15.09.2019	Abu Dhabi Non-oil Foreign Trade	-
17.09.2019	Abu Dhabi Consumer Inflation	-
19.09.2019	KSA Internal Trade Activity Survey	-
21.09.2019	Abu Dhabi Hotel Price Index	-

GLOBAL CALENDAR

16.09.2019	China Retail Sales	China Industrial Production
17.09.2019	Germany Economic Sentiment	US Industrial Production
18.09.2019	Fed Interest Rate Decision	UK Consumer Inflation
19.09.2019	BoJ Interest Rate Decision	BoE Interest Rate Decision
20.09.2019	Eurozone Consumer Confidence (Preliminary)	-

Food for thought

IR & BEYOND

Iridium	The Role of Investor Relations in the Next Economic Downturn	Link
Bloomberg News	Saudi Oil Output Cut in Half After Drones Strike Aramco Site	Link
JP Morgan	How is ESG affecting the investment landscape?	Link
IPE	A green game changer: new EU green finance requirements	Link
EQS	Why Webcasting Is More Important Than Ever in a Post MiFID II World	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.90	+32	-110
UK	0.76	+31	-77
Germany	-0.45	+20	-90
France	-0.18	+20	-94
Italy	0.88	-63	-210
Switzerland	-0.73	+37	-65
Japan	-0.17	+6	-27
Hong Kong	1.14	-	-106
India	6.64	+1	-149

COMMODITIES	WTD ↓	YTD
Natural Gas	5.71%	-12.45%
Oil (Brent)	-0.94%	12.23%
Gold	-1.30%	16.90%
Oil (WTI)	-2.15%	21.32%

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

Federal Reserve	To set monetary policy
BoE	To release interest rate decision
BoJ	To set monetary policy
UNGA	UN General Assembly opens its 74th regular session in New York
China-Russia	Chinese Premier Li Keqiang meets Russian President Putin in Moscow
ECB Chief Economist	Philip Lane to speak in Luxembourg
French President	Macron to hold talks with Italy's new Prime Minister Giuseppe Conte
China	To publish retail sales and industrial production data
ECB	Governing Council member Francois Villeroy de Galhau speaks in London
Earning Releases	FedEx, General Mills, Adobe, Rothschild, Next, etc

MOST READ REGIONAL SECTOR HEADLINES

Energy	OPEC cuts 2020 oil demand forecast, urges effort to avert new glut
Aviation	Middle East airlines' freight volumes drop 5.5% in July
Real Estate	Dubai house prices to fall sharply - Reuters poll
Banks	Emirates NBD close to hiring banks for \$2bn rights issue
Financials	SHUAA Capital to sell UAE securities brokerage, market-making operations
Utility	ACWA Power to focus more on renewable energy projects
Materials	Tasnee gets SAR 3bn Islamic loan from Riyadh Bank and SABB
Telecom	Ooredoo virtual store first in world launched by telecom operator
Healthcare	Saudi pharma market forecast to hit SAR 31bn by year-end - official
Consumer	Jarir chairman says e-commerce, showrooms boost company sales

MOST READ REGIONAL COMPANY HEADLINES

Qatar Airways	Qatar Airways to buy 39% stake in Angola State Airline
Aldar Properties	Aldar Properties launches \$197mn project open to foreign buyers
CBQ	The Commercial Bank to issue bonds worth up to \$700mn - CEO
DP World	DP World's Topaz and P&O to complete merger by year-end
Agility	Agility Public Warehousing Co. plans Trans-Africa facilities
Emaar Properties	Emaar Properties sells \$500mn 10-year Sukuk
ADCB	ADCB to sell majority of India banking portfolio to DCB Bank
Warba Bank	Kuwait's Warba Bank hires banks for Dollar Sukuk
Saudi Aramco	Saudi Aramco signs MoU with China's Zhejiang free trade zone
Mabane	Kuwait's Mabane awards SAR 6.15bn contract for Avenues Mall

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,831.8	0.1%	-11.2%	-2.3%	\$499.1	19.4x
ADX	5,096.1	3.7%	2.3%	-1.3%	\$140.7	15.3x
DFM	2,888.4	14.2%	8.6%	4.7%	\$79.4	12.1x
Nasdaq Dubai	3,222.6	4.8%	2.7%	-0.7%	NP	NP
Qatar	10,461.7	1.6%	0.1%	2.2%	\$138.3	15.1x
Bahrain	1,546.6	15.7%	5.1%	0.9%	\$24.2	11.6x
Oman	4,020.2	-7.0%	3.5%	0.4%	\$12.9	8.2x

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