

Optimism over US-China trade deal to support markets

IN CASE YOU MISSED IT . . .

Regional markets ended largely in the red last week. Qatar (-5.4%) was dragged to a four-month low by Industries Qatar and Qatar Islamic Bank. Abu Dhabi (-1.5%) was pulled down by a weak performance of First Abu Dhabi Bank. Dubai (-0.4%) edged down despite a late surge as weakness in property stocks weighed. Bahrain (-3.3%) and Oman (-1.0%) also closed in the red. However, Saudi Arabia (+0.2%) recovered on improving oil prices, offsetting a fall in banking and petrochemical stocks. Kuwait (+0.7%) ended up. The US markets were buoyed by encouraging progress of US-China trade talks, with POTUS showing eagerness to postpone March 1 deadline, and the US lawmakers reaching a deal to avoid another government shutdown. The Dow (+3.1%) and the NASDAQ (+2.4%) rose for the consecutive eight weeks. The S&P 500 (+2.5%) closed up for a third straight week. Europe too advanced on trade optimism, with CAC 40 (+3.9%), DAX (+3.6%), STOXX 600 (+3.0%) and FTSE 100 (+2.3%).

| Q4 RESULTS | PROFIT (mn) | Y-O-Y% |
|--------------------------|-------------|---------|
| Emaar Malls | AED 2,229.9 | +6.9% |
| Aldar Properties | AED 1,855.8 | -7.0% |
| Arabtec Holding | AED 256.0 | +108.1% |
| Dubai Investments | AED 651.4 | -35.0% |
| Fawaz Abdulaziz Alhokair | SAR 26.5 | -45.5% |

The week ahead

Regional markets

Regional markets may begin the week on a positive note, on the back of optimism over a trade deal between the US and China before a March 1 deadline, with trade discussions continuing between higher level officials of the two countries in Washington this week. Further, Brent crude prices closed over the USD65 per barrel mark (+6.7% w-o-w), which should also boost the morale of regional investors. Meanwhile, investors may keep an eye on the PMI data of US and Eurozone to gauge the health of the global economy. Etisalat and Qatar Aluminium Manufacturing Company are scheduled to report FY2018 earnings this week.

Global markets

The week begins with President's Day holiday in the US on Monday. Tuesday's releases include ZEW's survey on the economic sentiment (Feb) in the Eurozone and the UK's unemployment rate & average earnings (Dec) statistics. Wednesday will witness the release of US' Federal Open Market Committee's meeting minutes. A host of preliminary Markit PMI (Feb) numbers for the Eurozone and the US, home sales data for the US (Jan) and Germany's Harmonized Index of Consumer Prices (Jan) will be published on Thursday. Release of Eurozone's consumer inflation (Jan) and Germany's 4Q18 GDP will draw the week to a close on Friday.

You may be asked about

The head of the International Monetary Fund (IMF), Christine Lagarde, stated that the Small & Medium Sized Enterprises (SMEs) in the Arab world face severe difficulties in accessing funds for their operations. She added that SMEs make up 96% of registered companies in the Arab region but receive only 7% of total bank lending, adding that bridging this gap could aid in creating 15mn new jobs by 2025 and boost growth in the region by ~1% annually. The IMF Chief acknowledged steps taken by the UAE, Egypt and Jordan in raising financial inclusion for SMEs. Earlier, Lagarde had also raised concerns over a jump in the Arab regions' public debt from 64% to 85% of GDP over the last 10 years, amidst a muted recovery following the 2014 oil price shock.

Note to management

Some of the biggest companies in the world did not exist a couple of decades ago, have business models that are as young as they are, and have made their founders and early investors into billionaires.

But now they are part of a mature capital market ecosystem, surely they owe it to investors to be fully transparent? Why are they suddenly starting to disclose less information?

This week, we examine the new trend of "Less Is More" disclosure among the Silicon Valley giants, and ask when guidance is appropriate....and when it is not.

Read our viewpoint [HERE](#).

REGIONAL CALENDAR

| | | |
|------------|------------------------------|--------------------------------|
| 19.02.2019 | KSA Tourism Research Data | - |
| 21.02.2019 | KSA Weekly Money Supply Data | KSA Quarterly Inflation Report |
| 22.02.2019 | KSA Consumer Price Index | |

GLOBAL CALENDAR

| | | |
|------------|--------------------------|---|
| 19.02.2019 | UK ILO Unemployment Rate | Germany ZEW Survey - Economic Sentiment |
| 20.02.2019 | FOMC Minutes | - |
| 21.02.2019 | Germany Markit PMI | EU Markit PMI |
| 22.02.2019 | Germany GDP Data | EU Consumer Price Index |

Food for thought

IR & BEYOND

| | | |
|------------------------|--|----------------------|
| Iridium | Apple, Facebook and Twitter Pull Back from Disclosure | Link |
| EY | Is everything that counts being counted? | Link |
| Institutional Investor | Want a Better Board? Look To Private Equity | Link |
| Bloomberg | The Best-Paid Hedge Fund Managers Made \$7.7 Billion in 2018 | Link |
| IR Magazine | Earnings calls increasingly mention plastic waste | Link |

BRENT FUTURES PRICE



ASSET CLASS MONITOR

| | WTD ↓ | YTD |
|-------------|--------|--------|
| Oil | 4.77% | 20.02% |
| S&P 500 | 1.47% | 9.53% |
| FTSE 100 | 1.46% | 6.97% |
| MSCI World | 0.86% | 8.56% |
| US Treasury | 0.41% | -0.82% |
| Gold | 0.19% | 2.35% |
| MSCI EM | -0.27% | 7.60% |
| MSCI GCC | -1.31% | 6.22% |
| Aluminium | -1.80% | -2.14% |

| EARNINGS CALENDAR | Market | Est/ Conf | Date |
|-------------------------------|--------|--------------|--------|
| Etisalat | UAE | C | 19 Feb |
| Gulf Cement Company | UAE | C | 19 Feb |
| Qatalum | Qatar | C | 20 Feb |
| Qatar Oman Investment Company | Qatar | C | 20 Feb |

| COMMODITIES | WTD ↓ | YTD |
|-------------|-------|---------|
| Oil (Brent) | 4.77% | 20.02% |
| Oil (WTI) | 3.36% | 19.82% |
| Natural Gas | 0.86% | -12.48% |
| Gold | 0.19% | 2.35% |

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

| | |
|-------------------------------|--|
| EU | Foreign ministers meet in Brussels to discuss Ukraine, Syria and Venezuela |
| India | KSA's Crown Prince Mohammed bin Salman to visit India |
| ECB Vice President | To participate in "Euro at 20 Years: The Road Ahead" in Brussels |
| US Fed | To release FOMC minutes |
| Russian President | To deliver annual state-of-the-nation address before the Federal Assembly |
| EU ambassadors | To discuss the status of Brexit in Brussels |
| EU | trade ministers meet in Bucharest |
| Israeli Prime Minister | To meet Russia's President Vladimir Putin |
| US | US Markets to remain closed for Presidents Day holiday on February 18 |
| Earning Releases | Walmart, Intuit, Barclays, Swiss Re, Axa, Novatek |

MOST READ REGIONAL SECTOR HEADLINES

| | |
|-----------------------|---|
| Banks | Ahli Bank Bahrain and Ahli Bank Kuwait sign agreement to sell stake in KMEFIC |
| Energy | OPEC cuts oil supply steeply but sees growing 2019 headwinds |
| Infrastructure | Jordan and KSA sign MoU for JOD500mn railway project |
| Real Estate | SAGIA signs 8 agreements with local developers to boost real estate investments |
| Aviation | Boeing: Middle East needs 3k new commercial airplanes over next 20 years |
| Utilities | Dubai plans desert city's first solar-powered desalination plant |
| Transport | Aldrees shareholders to vote on 20% capital hike, 10% dividend |
| Insurance | Al Alamiya names Abdulaziz Bin Hasan as board chairman |
| Materials | RAK Ceramics to expand in Saudi Arabia with new facility |
| Telecom | STC to provide Saudi Aramco's communities with high-speed internet |

MOST READ REGIONAL COMPANY HEADLINES

| | |
|-------------------------|--|
| Qatar Petroleum | Signs five-year light naphtha sales agreement with Marubeni |
| ACWA Power | PIF will raise stake in ACWA Power, to expand overseas |
| Tabreed | Gets 30-year India concession in first foray outside the GCC |
| Investcorp | Buys properties in the US for \$330mn |
| Bank Dhofar | Still exploring merger with National Bank of Oman |
| Mashreqbank | Hires banks ahead of Dollar bond sale |
| Dana Gas | May sell Iraqi gas to Turkish buyers |
| BRES | Signs a financing agreement with a Qatari local bank |
| Kuwait Petroleum | Reportedly reassesses \$500bn spending plan |
| Etihad Airways | Restructures Airbus, Boeing jet orders |

| REGIONAL MARKETS | Last Close | YTD % | QTD % | MTD % | M-Cap (bn) | P/E (ttm) |
|------------------|------------|-------|-------|-------|------------|-----------|
| Saudi Arabia | 8,626.3 | 10.2% | 10.2% | 0.8% | \$553.5 | 18.3x |
| ADX | 5,036.4 | 2.5% | 2.5% | -0.2% | \$136.7 | 14.1x |
| DFM | 2,533.6 | 0.2% | 0.2% | -1.3% | \$69.0 | 8.0x |
| Nasdaq Dubai | 3,102.5 | 0.9% | 0.9% | -2.0% | NP | NP |
| Qatar | 9,941.5 | -3.5% | -3.5% | -7.3% | \$128.9 | 14.2x |
| Bahrain | 1,372.0 | 2.6% | 2.6% | -1.4% | \$20.9 | 9.4x |
| Oman | 4,109.3 | -5.0% | -5.0% | -1.4% | \$12.8 | 8.4x |

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