

## Optimism over crude oil, trade deal could buoy markets

### IN CASE YOU MISSED IT . . .

Qatar (+1.9%) ended higher after notching its best daily performance since Aug 2018 on Thursday. Abu Dhabi (+1.7%) too clocked its best daily gain in nearly three-years on March 14, led by a rally in First Abu Dhabi Bank and Emirates Telecommunications. Saudi Arabia (+1.2%) was buoyed by banking and petrochemical stocks amidst rising oil prices. However, Dubai lagged its regional peers, ending down (-0.8%) as property stocks suffered. Kuwait (-0.6%) and Oman (-0.9%) also edged lower. Meanwhile Bahrain closed flat. The US markets closed higher on renewed trade optimism after Chinese Premier Li Keqiang expressed confidence over trade deal that would suit both the countries. The markets were also buoyed by China's pledge of maintaining stimulus measures. Nasdaq (+3.8%; strongest performance since Dec 28), S&P 500 (+2.9%; biggest weekly gain since Nov. 30) and Dow (+1.6%) all closed up. European stock markets rose too as the UK Parliament voted on extending Brexit deadline, with CAC 40 (+3.3%), STOXX 600 (+2.8%), DAX (+2.0%) and FTSE 100 (+1.7%) registering gains.

FY18 RESULTS	PROFIT (mn)	Y-O-Y%
Saudi Electricity	SAR 1,757.0	-74.6%
Dubai Investments	AED 651.4	-35.0%
Saudi Public Transport	SAR 22.9	-71.9%
Arkan Building Materials	SAR 53.5	+77.2%

### BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
S&P 500	2.17%	12.03%
Aluminium	1.77%	0.24%
MSCI World	1.55%	10.95%
Oil	1.40%	24.96%
MSCI GCC	1.33%	6.46%
Gold	0.82%	1.07%
MSCI EM	0.44%	8.53%
FTSE 100	0.39%	6.80%
US Treasury	0.00%	0.00%

### The week ahead

#### Regional markets

The International Energy Agency (IEA) stated that the global oil market may flip into deficit in 2Q 2019, which may support oil prices, thereby buoying regional markets, especially related sectors such as petrochemicals. Further, China's assurances to continue stimulus measures to support its economy and positive developments over the US-China trade deal should improve investors' sentiment. In addition, the upcoming US Fed's monetary policy meet and further developments related to Brexit, after lawmakers ruled out a no-deal Brexit last week, will also be closely watched by investors. Union Properties, Gulf Navigation Holding, and Investment Holding Group are scheduled to report FY2018 earnings this week.

#### Global markets

The week begins with the release of industrial production numbers (Jan) for Japan on Monday. On Tuesday, key labor data for the UK, including average earnings (Jan) and Eurozone's ZEW economic sentiment survey (Mar) will be published, followed by the Bank of Japan's monetary policy meeting minutes. Wednesday will witness release of the US Federal Open Market Committee's economic projections report along with Fed's monetary policy decision preceded by data on the UK's consumer inflation (Feb). Thursday's proceedings include respective monetary policy decisions by the Swiss National Bank and the Bank of England. Preliminary PMI statistics (Mar) for the US and Eurozone will draw the week to a close on Friday.

#### You may be asked about

According to the UAE Central Bank of the UAE, fiscal stimulus packages, announced by both Abu Dhabi (worth \$13.6bn) and Dubai, are anticipated to improve the ease of doing business and cut costs across key sectors such as aviation, real estate and education. The UAE Central Bank anticipates this to drive the expansion of the UAE's non-oil sector (2019 growth estimate: 3.4% vs. 2.6% in 2018) thereby providing an impetus to overall economic growth. With oil GDP expected to expand by 3.7% (vs. 3.0% in 2018), the UAE Central Bank expects total GDP growth of 3.5% in 2019 as compared to 2.8% in 2018 and 0.8% in 2017. This was also validated by the International Monetary Fund (IMF) which recently pegged the UAE's 2019 GDP growth estimate at 3.7%.

#### Note to management

Despite a positive start to the year for equities, asset managers are showing a distinctly negative view. The latest BAML Fund Managers Survey paints a picture of defensive strategies, low-growth outlook and fears of major risks.

And while these fears are driven by forces that are beyond their control, the shareholders surveyed have a clear message for the listed companies that they hold: fix your balance sheet and buckle up - we're in for a bumpy ride.

How should companies respond to this kind of feedback? Read our thoughts [HERE](#).

#### REGIONAL CALENDAR

17.03.2019	UAE Consumer Price Index	-
18.03.2019	KSA Internal Trade Activity Survey	-
19.03.2019	KSA Consumer Price Index	-
21.03.2019	KSA Weekly Money Supply Data	-

#### GLOBAL CALENDAR

18.03.2019	Japan Industrial Production	-
19.03.2019	UK ILO Unemployment Rate	Germany Economic Sentiment
20.03.2019	US Fed Monetary Policy Statement	UK Consumer Price Index
21.03.2019	BoE Interest Rate Decision	UK Retail Sales
22.03.2019	Germany Markit Manufacturing PMI	EU Markit PMI Composite

### Food for thought

#### IR & BEYOND

Iridium	Buckle Up - It's Going To Be A Bumpy Ride	<a href="#">Link</a>
EQS	Crafting your Company Story for Investor Outreach	<a href="#">Link</a>
Gulf News	Mubadala halts business with Goldman Sachs amid 1MDB lawsuit	<a href="#">Link</a>
FundGlobal MENA	Regulators unveil UAE fund passport	<a href="#">Link</a>
Arab News	Saudi Arabia shares set for \$20 billion windfall	<a href="#">Link</a>

<b>EARNINGS CALENDAR</b>	Market	Est/ Conf	Date
Dlala Brokerage & Investment Holding Co.	Qatar	C	17 Mar
Ezdan Holding Group	Qatar	C	18 Mar
Union Properties	UAE	C	19 Mar
Investment Holding Group	Qatar	C	19 Mar
Gulf Navigation Holding	UAE	C	19 Mar
Mazaya Qatar Real Estate	Qatar	C	20 Mar

<b>COMMODITIES</b>	WTD ↓	YTD
Oil (WTI)	3.44%	29.07%
Oil (Brent)	1.40%	24.96%
Gold	0.82%	1.07%
Natural Gas	-0.38%	-2.89%

## 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

<b>US Fed</b>	FOMC rate decision
<b>Brazil President</b>	To visit the White House and meet with President Donald Trump
<b>EU leaders</b>	To convene for a two-day meeting in Brussels
<b>China</b>	President Xi Jinping visits Italy
<b>Bank of England</b>	Interest-rate decision
<b>South Africa</b>	Reserve Bank to publish its Quarterly Bulletin
<b>US Secretary of State</b>	To address at the "Road to the Global Entrepreneurship Summit Heartland"
<b>France</b>	Minister of Defense Florence Parly to visit Washington
<b>Canada</b>	Finance Minister to presents the budget to Parliament in Ottawa.
<b>Earning Releases</b>	Tencent, FedEx, Nike, Tilray, Micron and Porsche

## MOST READ REGIONAL SECTOR HEADLINES

<b>Banking</b>	Barwa Bank's merger with International Bank of Qatar to be completed by April
<b>Materials</b>	Emirates Global Aluminum Guinea unit to secure \$700mn-\$750mn financing
<b>Energy</b>	KSA discovered large quantities of gas
<b>Insurance</b>	Moody's: New capital rules to trigger more M&As in Saudi insurance sector
<b>Utility</b>	Nebras Power's A M Solar Project in Jordan to be operational in June
<b>Aviation</b>	IATA: Middle East airlines' freight volumes contracts 4.5% in January
<b>Petrochemical</b>	QLife Pharma set for US FDA approval, plans to export products soon
<b>Consumer Staples</b>	Almarai targets investments worth nearly SAR11bn by 2023
<b>Consumer</b>	Swiss-Belhotel eyes presence in Saudi Arabia's mega projects
<b>Telecom</b>	Ooredoo and QFC in deal to share expertise

## MOST READ REGIONAL COMPANY HEADLINES

<b>Emirates NBD</b>	Targets \$1bn with perpetual bond sale
<b>Mashreq bank</b>	To close 50% of its branches this year as part of digital transformation
<b>SABIC</b>	To merge two petrochemical companies to boost efficiency
<b>Qatar Petroleum</b>	Signs pact with Eni to acquire 25.5% stake in Mozambique exploration block
<b>Al Khalij Cement Co.</b>	Signs agreement for oil well cement supply to Qatar Petroleum
<b>Ethihad Group</b>	Signs contracts with Saudi aviation operator
<b>Saudi Aramco</b>	Reportedly seeks LNG traders in Singapore over next year
<b>Arriyadh Development</b>	Gets CMA nod on capital hike
<b>Petrochem</b>	Secures SAR550mn banking facility from SABB
<b>SEVEN</b>	Plans second entertainment complex in Riyadh

<b>REGIONAL MARKETS</b>	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	8,582.9	9.7%	9.7%	1.1%	\$550.8	19.0x
<b>ADX</b>	4,997.6	1.7%	1.7%	-2.7%	\$135.7	14.0x
<b>DFM</b>	2,574.2	1.8%	1.8%	-2.3%	\$70.1	8.2x
<b>Nasdaq Dubai</b>	3,160.6	2.8%	2.8%	-2.3%	NP	NP
<b>Qatar</b>	9,970.6	-3.2%	-3.2%	-1.4%	\$129.9	13.9x
<b>Bahrain</b>	1,409.1	5.4%	5.4%	-0.3%	\$21.5	9.0x
<b>Oman</b>	4,075.0	-5.8%	-5.8%	-1.7%	\$12.7	8.5x

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.