

4Q 2018 IR CALENDAR	DATE
UBS GEMs Conference	27-28 NOV

IN CASE YOU MISSED IT . . .

Falling oil prices took a toll on regional markets, which, barring Abu Dhabi, ended the week in the red. Qatar (-1.5%) was impacted by decline in Industries Qatar, and particularly, Qatar Fuel, which plummeted after MSCI announced exclusion of the stock from its global indices. Saudi Arabia (-1.0%) inched down for a second successive week, due to weakness in petrochemical and banking stocks. Decline in realty stocks such as Emaar Properties weighed on Dubai (-1.7%). Oman (-0.9%) and Bahrain (-0.3%) also declined, but Kuwait ended flat. Abu Dhabi rose (+0.5%), led by FAB, as MSCI doubled its weight in the MSCI Emerging Markets Index. The US markets ended firmly in the red over global trade concerns; the Dow fell (-2.2%), closely followed by NASDAQ (-2.1%), and the S&P 500 (-1.6%). Europe also fell, with Brexit-related resignations of top officials in the UK taking centre-stage; STOXX 600 (-2.2%), DAX (-1.6%), CAC 40 (-1.6%) and FTSE 100 (-1.3%) edged lower.

3Q RESULTS	PROFIT (mn)	Y-O-Y%
Emaar Development	AED2,791.5	+11.7%
Damac Properties	AED230.8	-67.9%
Saudi Electricity	SAR4,925.0	-6.4%
Saudi Real Estate	SAR12,674.0	-40.7%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
US Treasury	0.85%	70.50%
Gold	-0.87%	-6.87%
MSCI GCC	-1.05%	10.76%
MSCI EM	-1.28%	-15.33%
FTSE 100	-1.44%	-8.45%
MSCI World	-2.54%	-5.10%
S&P 500	-2.73%	2.12%
Aluminium	-2.99%	-14.50%
Oil	-5.70%	-0.37%

Global trade, Europe worries continue to batter oil

The week ahead

Regional markets

Regional investors appear to be in downbeat mood, given the on-going decline in oil prices. Early last week, Brent crude hit an 8-month trough, breaching the \$65 per barrel mark. The recent optimism sounded by POTUS over prospects of a thaw in the US-China trade spat has reportedly been toned down by some WH officials. Separately, lack of clarity over Brexit due to waning domestic support for the UK's Prime Minister, Theresa May, should keep investors away from bullish bets. Further, if during the week, the European Commission votes to impose disciplinary action on Italy following the nation's decision to proceed with a deficit budget despite the Commission's objections, the EU bloc's stability and strength is likely to be tested in the coming weeks, which could also weigh on regional investor sentiment.

Global markets

The week begins with the European Central Bank's Financial Stability Review on Monday. On Tuesday, the Bank of Japan will present its monetary policy statement, followed by the UK's Autumn Forecast Statement and key US housing data, including housing starts, for October. On Wednesday, the European Commission's decision on Italy's budget may overshadow the ECB's non-monetary policy meeting and release of Japan's October consumer inflation data. Thursday will witness the UK's inflation report hearings by the Treasury Committee and publication of the ECB's monetary policy meeting accounts. The release of Eurozone's November PMI (prelim), Germany's 3Q18 GDP, and Canada's October consumer inflation numbers will round off the week on Friday.

You may be asked about

S&P Global Ratings (S&P) affirmed its long and short-term foreign and local currency sovereign ratings on Oman at 'BB/B' with 'Stable' outlook. The ratings agency expects Oman to narrow its fiscal and external deficits over its base case forecasts for 2018-2021, with annual economic growth likely to stabilize at 3%. S&P's medium-term forecasts on Oman are based on rising oil production, gas output, and improving non-oil sector growth. The ratings agency cautioned that it may take negative rating action if the Sultanate's external debtor position weakens beyond its current forecasts and the Central Bank of Oman's reserves deplete. S&P noted, however, that it may also consider raising the rating, if the pace of build-up in external debt moderates.

Note to management

With around six months to go until Saudi Arabia will be included in the MSCI Emerging Markets Index, we have taken a look at the rise of the indices and what it means for listed companies. Index investing today is huge, varied, and covers every strategy from the most complex to the simplest. There are 3.7 million index funds out there, and the number is growing faster than 10% per annum. And yet the number of index funds based on equity markets is falling. But what are the new indices that investors are following? And what do companies need to understand about this asset class?

Read our thoughts on the relentless rise of indices [HERE](#)

REGIONAL CALENDAR

18.11.2018	UAE Consumer Price Index Data	-
20.11.2018	KSA Internal Trade Activity Survey	KSA Gender statistics
21.11.2018	KSA Quarterly Inflation Report	-
22.11.2018	KSA Weekly Money Supply Data	-
23.11.2018	KSA Merchandise Exports and Imports Data	-

GLOBAL CALENDAR

19.11.2018	EU Financial Stability Review	Eurogroup Meeting
20.11.2018	BoJ Monetary Policy Statement	US Housing Starts Data
21.11.2018	EC Decision on Italy	Japan National Consumer Price Index
22.11.2018	ECB Monetary Policy Meeting Accounts	UK Inflation Report Hearings
23.11.2018	Germany GDP Data	US Markit PMI Composite

Food for thought

IR & BEYOND

IR Magazine / Iridium	The Relentless Rise of Indices	Link
The Economist	The Next Capitalist Revolution	Link
Institutional Investor	Paul Tudor Jones: Corporate Credit Will Cause the Next Crisis	Link
Bloomberg Blog	IMF Sees Rising Economic Growth In Gulf On Higher Oil Prices	Link
Deloitte	Sukuk In Focus: The Necessity For Global Common Practices	Link

Sunday, 18.11.2018

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	3.06	-14	+72
UK	1.41	-16	+12
Germany	0.36	-9	+1
France	0.76	-5	+6
Italy	3.49	-1	+5
Switzerland	-0.07	-6	+10
Japan	0.09	-4	+7
Hong Kong	2.22	-11	+58
India	7.78	-13	+74

COMMODITIES	WTD ↓	YTD
Natural Gas	1.09%	9.62%
Gold	0.10%	-5.32%
Oil (Brent)	-5.20%	9.00%
Oil (WTI)	-5.41%	5.41%

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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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For more information contact:

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

GLOBAL AGENDA

Bank of England	Governor appears before the UK parliament's Treasury Committee to discuss the Inflation Report
WTO	Director General Roberto Azevedo speaks at a trade conference in Lithuania
OECD	Presents new economic forecasts
ECB	Publishes an account of the Oct. 24-25 Governing Council meeting
Germany	Chancellor speaks on the economy to the BDA employers' federation in Berlin
European Commission	Publishes opinions on the budget plans of euro-area countries
Reserve Bank of India	Board to discuss government demands to give up some surplus reserves and loosen liquidity norms for lenders
China	Chinese President Xi Jinping visits Brunei and Philippines
IAEA	Director General discusses monitoring in Iran and North Korea
Earning Releases	Intuit, JD.com, Target, Remy Cointreau, Deere, Lowe's

MOST READ REGIONAL SECTOR HEADLINES

Energy	Saudi Arabia to cut oil output from December
Telecom	Ooredoo Group pushes forward with network enhancements
Materials	QAMCO's IPO oversubscribed 2.5 times
Banks	Emirates NBD applies for Denizbank takeover
Media & Entertainment	KSA's PIF reportedly eyes \$700mn stake in Legendary Entertainment
Healthcare	NMC Healthcare seeks to raise \$400mn with debut Sukuk
REIT	Alkhabeer REIT Fund to acquire seven assets worth SAR1bn
Consumer	Fawaz Alhokair set to launch e-commerce platform in December
Utility	ACWA Power, AlGihaz achieve financial close for Sakaka solar plant
FMCG	SADAFCO announces buy-back up to 10% of its shares

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	To discuss buying Arctic LNG-2 stake with Novatek
ADNOC	To spend \$1.4bn on field upgrade to boost output capacity
Dallah Healthcare	Extends Jeddah hospital agreement for 7 months
SAPTCO	Inks SAR8bn contract to operate Riyadh Metro
DP World	Completes \$3.3bn listings on Nasdaq Dubai
Arqam Capital	Starts Sukuk fund with \$130mn in subscriptions
RAK Ceramics	Mulls expansion in India, KSA
Aldar Properties	Awards construction contract for mega Abu Dhabi project to Al Rakha Contracting & General Transport LLC
ADCB	Picks Barclays to advise on merger
Total	Wins 40% stake in Abu Dhabi's ADNOC gas concession

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,662.2	6.0%	-4.2%	-3.1%	\$488.7	16.5x
ADX	5,055.5	14.9%	2.4%	3.1%	\$136.4	13.7x
DFM	2,778.8	-17.5%	-2.0%	-0.2%	\$75.2	9.4x
Nasdaq Dubai	3,260.2	-0.9%	0.3%	1.2%	NP	NP
Qatar	1,0214.2	19.8%	4.1%	-0.8%	\$135.5	15.1x
Bahrain	1,309.2	-1.7%	-2.2%	-0.4%	\$20.3	8.9x
Oman	4,450.6	-12.7%	-2.0%	0.6%	\$13.6	10.5x

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