

Market participants to focus on earnings

In case you missed it...

Regional markets ended mixed last week. Qatar (+2.0%) was driven by banks. Kuwait (+1.4%) advanced for a 2nd consecutive week. Abu Dhabi (+0.4%) edged up, partly supported by FAB and ADIB. Bahrain (+0.3%) rose slightly. Dubai (-1.1%) was primarily dragged down by Emirates NBD. Saudi Arabia (-0.8%) slipped as some of the banks weakened amid a SAMA directive for banks to hire more nationals in leading positions. Oman (-0.2%) added to its prior week's loss.

In the US, the S&P500 (+0.5%) and Nasdaq Composite (+0.4%) edged higher, mainly led by above expected 3Q19 earnings release and the UK and EU leaders announcing tentative Brexit deal. Dow Jones (-0.2%), however, was hurt by sharp fall in the shares of Boeing and Johnson & Johnson. European indices closed mixed; DAX (+1.0%) and STOXX600 (+0.1%) gained, whereas FTSE100 (-1.3%) and CAC40 (-0.5%) ended lower.

The Week Ahead

Regional markets

Activity in the regional markets is likely to be driven by corporate earnings this week, as the third quarter earnings season picks up its pace. In the UAE, Etisalat and Eshraq Investments will hold BoD meetings to discuss their financial performance. In addition, several Qatari companies, such as The Commercial Bank, Doha Bank, Industries Qatar, will release their 3Q19 financials while some earnings calls are also scheduled.

Global markets

This week investors will focus on an interest rate call by the European Central Bank. Economists do not expect any change in interest rates after the central bank cut the rates in last month's meeting. The central banks of Russia, Turkey and Indonesia are also expected to announce their rate decisions. Moreover, investors will look for a Brexit deal after British MPs voted to delay the Brexit deal decisions, but PM Johnson said he will stick to the 31 October deadline.

You may be asked about

The IMF cut its 2019 global economic growth forecast to 3.0% (3.2% as per July estimate), marking the slowest pace since 2008 financial crisis. In a surprise move, the IMF slashed its growth forecast for the MENA region to 0.1% (1.2 percentage points below its April estimate), which the Fund attributed to lower growth projections for Saudi Arabia and Iran.

The global lender forecasted Iran's economy to contract by 9.5% in 2019. On the other hand, the Kingdom's GDP is forecasted to grow marginally by 0.2% (April estimate: +1.9%; 2018: +2.4%). GDP growth of the other GCC economies, except Bahrain and Qatar, are also estimated to decelerate this year.

2H 2019 EVENTS CALENDAR	DATE
Future Investment Initiative, RUH	29-31 OCT
GS CEEMEA Conference, LON	11-12 NOV
UBS GEMs Conference, NYC	3-5 DEC

EARNINGS CALENDAR	Market	Est/Conf	Date
Etisalat	UAE	C	23 OCT
Chubb Arabia Coop Ins.	KSA	C	23 OCT
Industries Qatar	Qatar	C	24 OCT
QEWC (Call)	Qatar	C	24 OCT

Q3 RESULTS	PROFIT (mn)	Y-O-Y%
Mashreq Bank	AED 535.8	-8.7%
Deyaar Development	AED 16.3	-54.2%
Bank Muscat*	OMR 141.4	+5.0%
Aldrees Petroleum	SAR 16.6	+3.8%
Qatar Islamic Bank	QAR 790.0	+16.2%
Qatar Fuel	QAR 323.5	+0.4%

*9M results

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
MSCI EM	1.23%	6.03%
MSCI World	0.79%	15.27%
S&P 500	0.54%	19.12%
MSCI GCC	0.41%	-0.93%
Gold	0.07%	16.18%
Aluminium	-0.55%	-7.52%
US Treasury	-1.19%	-32.24%
FTSE 100	-1.33%	6.28%
Oil	-1.80%	10.45%

REGIONAL CALENDAR

22.10.2019	Abu Dhabi Hotel Price Index	KSA Consumer Inflation
23.10.2019	KSA Wholesale Price index	-
24.10.2019	Abu Dhabi Construction Cost Index	KSA Merchandise Export & Import

GLOBAL CALENDAR

20.10.2019	Japan Merchandise Trade balance	-
21.10.2019	PBOC Interest rate decision	Germany Producer Price Index
22.10.2019	ECB Bank Lending survey	US Existing Home Sales
23.10.2019	Germany 10yrs Bond Auction	US Housing Price Index
24.10.2019	Eurozone Markit PMI Composite (Prelim)	ECB Interest Rate Decision

Food for thought

IR & BEYOND

IR Magazine	UK companies see wider fall in analyst coverage than European peers	Link
Bloomberg Blog	Here's how 'green finance' aims to save the planet	Link
ESG Clarity	Are global investors turning away from ESG?	Link
The Economist	Britain's equity market is shrinking [paywall]	Link
Risk Magazine	Value: 'Trade of the decade,' says QMA	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.75	-3	-144
UK	0.7	7	-87
Germany	-0.39	12	-84
France	-0.08	14	-92
Italy	0.92	4	-255
Switzerland	-0.64	16	-61
Japan	-0.16	8	-29
Hong Kong	1.29	-	-101
India	6.52	-12	-140

COMMODITIES	WTD ↓	YTD
Natural Gas	4.79%	-21.09%
Gold	0.07%	16.18%
Oil (WTI)	-1.68%	18.43%
Oil (Brent)	-1.80%	10.45%

About Iridium

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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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GLOBAL AGENDA	
BOE Governor	To speak at the House of Lords
ECB Vice President	To speak at a conference in Frankfurt
China	To release new home prices data
U.S.	To publish data for existing home sales
Spain	Scheduled to publish unemployment data
ECB	To release survey of professional forecasters
South Korea's PM	To attend Emperor Naruhito's enthronement ceremony in Japan
Bank of America CEO	To give the keynote at the BlackBerry cyber security conference
Eurozone	To release data for consumer confidence
Earning Releases	Amazon, Intel, Verizon, Microsoft, Caterpillar, Tesla, Boeing, Barclays etc

MOST READ REGIONAL SECTOR HEADLINES	
Tourism	Middle East travel sector spending on IoT tech to increase by 22%
Construction	KSA grants four investment licenses to Russian construction companies
Hospitality	UAE sees spike in online hiring in hospitality sector
Real Estate	Abu Dhabi's residential capital values fall 12.6% in 3Q 2019
Logistics	Saudi Arabia to launch new logistics zone in Jeddah
Financials	SAMA asks financial firms to hire Saudi nationals in executive roles
FMCG	Tax on Sugary drinks, e-cigarettes in UAE to increase from December 1
Energy	OPEC chief says deeper oil cut an option amid weaker 2020 outlook
Utility	Dubai Utility gets record low bid to build solar-power plant
Insurance	Bupa Arabia sees 2 negotiated deals on Thursday

MOST READ REGIONAL COMPANY HEADLINES	
Etihad	Abu Dhabi's Etihad to set up low-cost carrier with Air Arabia
Vodafone Qatar	Vodafone Qatar is delivering 5G to facilitate business innovation
National Fiber Glass	National Fiber Glass to build new manufacturing plant in Khazaen
ADNOC	ADNOC awards Lukoil 5% stake in Ghasha gas concession
Bank Muscat	Bank Muscat's 9M 2019 net profit rises 5.0% YoY
Saudi Aramco	Saudi Aramco hopes to repair remaining damage from attacks by Nov-end
Ahli United Bank	Ahli United Bank says Central Bank of Bahrain yet to approve KFH Takeover
Saudi Electricity	Fitch downgrades Saudi Electricity Company to 'A-' with a 'Stable' outlook
SABIC	SABIC mulls building methanol plant in Russia with RDIF and ESN Group
Mubadala	Mubadala sells Medgaz pipeline stake to Naturgy and Sonatrach

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,635.8	-2.4%	-5.6%	-5.6%	\$486.1	18.8x
ADX	5,093.3	3.6%	0.7%	0.7%	\$140.1	15.3x
DFM	2,780.0	9.9%	0.0%	0.0%	\$77.0	11.6x
Nasdaq Dubai	3,167.2	3.0%	0.3%	0.3%	N/A	N/A
Qatar	10,428.0	1.3%	0.6%	0.6%	\$143.3	14.9x
Bahrain	1,527.1	14.2%	0.7%	0.7%	\$23.8	11.4x
Oman	4,005.4	-7.4%	-0.3%	-0.3%	\$12.8	8.0x

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