

Firm oil price, 1Q19 financial results to drive markets

IN CASE YOU MISSED IT . . .

Regional markets ended mostly in green last week. Abu Dhabi (+4.7%) climbed to its highest level since December 2005, partly driven by First Abu Dhabi Bank which gained after securing approval to raise its foreign ownership level. Saudi Arabia (+1.2%) continued to advance, lifted by financial stocks. Dubai (+0.9%) closed in positive territory for a fifth consecutive week, with Qatar (+0.9%) recording similar gains, mainly lifted by banking stocks. Bahrain (+0.5%) edged higher, though Oman (-0.1%) fell marginally. Kuwait was down 1.0%. The US markets ended mixed, as the stronger than expected 1Q19 earnings were offset by the concern over potential adverse impact on health-related stocks from a proposed policy change and the release of a mixed set of economic reports. Dow (+0.6%) reached to a six-months closing high; Nasdaq (+0.2%) edged up, whereas S&P 500 (-0.1%) fell marginally. European indices, however, registered gains, as DAX (+1.9%), CAC 40 (+1.4%), STOXX 600 (+0.8%) and FTSE 100 (+0.3%) all closed in green.

Q1 RESULTS	PROFIT (mn)	Y-O-Y%
Zain KSA	SAR 2,093	24.2%
Aldrees Petroleum	SAR 1,299.8	1.1%
SRECO	SAR 297	-5.7%
National Aluminum Products	OMR 11.4	-3.1%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
Oil (Brent)	1.61%	33.77%
MSCI GCC	1.55%	13.85%
S&P 500	0.58%	15.88%
MSCI World	0.57%	14.48%
FTSE 100	0.57%	10.88%
MSCI EM	0.46%	13.12%
US Treasury	-0.41%	-1.22%
Aluminium	-0.43%	-1.61%
Gold	-1.29%	-0.52%

The week ahead

Regional markets

Release of 1Q19 corporate earnings is likely to remain the primary factor driving market activity this week, particularly in the absence of any concrete developments on trade between the US-China. Further, firm Brent oil prices, which gained for a fourth straight week, should also continue to support investor confidence. In addition, better than expected China GDP growth data has eased the concerns over the slow-down in oil demand. Abu Dhabi Islamic Bank, Mashreq Bank, du and Qatar Gas Transport Company are scheduled to report 1Q19 earnings this week.

Global markets

The week begins with the release of the Chicago Fed National Activity Index (Mar) on Monday. On Tuesday, stats on US housing price index (Feb) and Eurozone's preliminary consumer confidence (Apr) will be published. IFO's Business Climate index (Apr) for Germany and Economic Bulletin by the European Central Bank will be revealed on Wednesday. Thursday's major events constitute Bank of Japan's monetary policy statement and interest rate decision, Japan's preliminary industrial production (Mar), and US durable goods order data (Mar). Preliminary US GDP and personal consumption expenditure numbers for 1Q19 will draw the week to a close on Friday.

You may be asked about

The Government of Abu Dhabi has amended provisions of the 'Real Property Law', enabling foreigners to own land and property on a freehold basis in designated investment zones. As per the amendments, residential units, situated in designated investment areas, will now be registered under Abu Dhabi's freehold law, with deeds of property ownership issued to buyers. Before the changes, only UAE and GCC nationals were allowed to own freehold property in the Emirate, whereas foreigners had to go through leasehold arrangements. The move brings the UAE capital at par with Dubai, where foreign nationals are already allowed to purchase freehold plots in investment areas.

Note to management

The payments industry is the plumbing that sits behind the operation of all forms of commerce and business. Traditionally provided by banks and specialist merchant acquirers such as Visa and Mastercard, payments were for many years an unloved and often ignored corner of the financial services sector.

The arrival of digital technology and fintech disruptors has opened the sector up to new entrants, and two UAE-based providers will list on the London Stock Exchange this year, with a combined valuation of \$3.5 billion.

What this proves is that the GCC can compete with the best in innovation and fintech. But it also raises the question of how local exchanges can compete with London to attract listings of this kind.

Read our viewpoint [HERE](#).

REGIONAL CALENDAR

21.04.2019	KSA Average Prices	-
23.04.2019	KSA Consumer Price Index	-
25.04.2019	KSA Weekly Money Supply Data	KSA Real Estate Price Index

GLOBAL CALENDAR

22.04.2019	US Existing Home Sales	Japan All Industry Activity Index
23.04.2019	US Housing Price Index	US Markit PMI Composite
24.04.2019	EU Economic Bulletin	Germany IFO Current Assessment
25.04.2019	BoJ Monetary Policy Statement	Tokyo CPI ex-Fresh Food
26.04.2019	US GDP Data	US Personal Consumption Exp.

Food for thought

IR & BEYOND

Iridium	Unloved Banking Product Becomes UAE Champion	Link
Harvard Business Review	The Investor Revolution	Link
IR Magazine	CII targets better ESG and human capital disclosure	Link
CNBC	A former Abu Dhabi investing official thinks ethics are going to play a bigger role in market decisions	Link
Institutional Investor	3-and-30 Is Back for D.E. Shaw	Link

EARNINGS CALENDAR	Market	Est/ Conf	Date
Qatar International Islamic Bank	Qatar	C	21 Apr
Gulf Warehousing Company	Qatar	C	21 Apr
Medicare Group	Qatar	C	24 Apr
Qatar Industrial Manufacturing Company	Qatar	C	24 Apr
United Development Company	Qatar	C	24 Apr

COMMODITIES	WTD ↓	YTD
Oil (Brent)	1.61%	33.77%
Oil (WTI)	0.66%	40.94%
Gold	-1.29%	-0.52%
Natural Gas	-6.53%	-15.31%

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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
ir@iridium.ae
www.iridium.ae

GLOBAL AGENDA

Bank of Japan	Sets its monetary policy
US BEA	Announces Q1 2019 GDP (preliminary) data
US President	To meet the Japanese PM Shinzo Abe at the White House
Russian President	To meet Chinese President Xi Jinping in Beijing
ECB Vice President	Delivers a speech in New York
Japan PM	To meet European Council President and European Commission President in Brussels
China	Holds its second Belt and Road Initiatives Forum in Beijing
India	Third round of voting in national elections
Easter Monday	Germany, the UK, France, Italy among others to observe Easter Monday
Earning Releases	Amazon, Twitter, Facebook, Microsoft, Exxon Mobil, Caterpillar, Boeing, etc

MOST READ REGIONAL SECTOR HEADLINES

Banks	SAMA Governor: Zakat calculations for banks will be 12%-14% in 2018
Energy	Saudi Aramco and Petronas sign \$7.9bn Rapid project financing
Financials	PIF said to seek bridge loan of up to \$8bn
Telecom	Saudi telecom regulator imposes more than \$10.13mn in fines on companies
Transportation	DP World interested to invest in Philippines by setting up logistics hubs
Aviation	Qatar Airways says Air Italy's stake compliant with 2018 US-Qatar aviation agreement
Real Estate	Abu Dhabi allows foreigners to own freehold properties in investment areas
Materials	Maaden unit to acquire 85% of Mauritius-based agrifirm for \$140mn
Healthcare	Saudi German Hospitals opens new facility in Ajman
REIT	Mulkia REIT plans dividend for Q1 2019

MOST READ REGIONAL COMPANY HEADLINES

First Abu Dhabi Bank	FAB receives approval for increasing foreign ownership limit to 40%
Vodafone Qatar	Vodafone Qatar makes the first live 5G mobile calls in the region
ADNOC	Abu Dhabi's pension fund joins KKR and BlackRock in ADNOC pipeline deal
Gulf Intl Services	GISS announces Gulf Helicopters acquires a 49% stake in Air Ocean Maroc
Dubai Islamic Bank	Dubai Islamic Bank looking at acquisitions among expansion plans
Gulf Warehousing Co	GWCS announces the establishment of its subsidiary in India
Investcorp	Investcorp to raise at least \$7bn for buyouts this year
Islamic Dev Bank	Islamic Development Bank set to raise \$1.5bn in five-year Sukuk
Alinma Bank	Alinma Bank recovers \$10bn tag amid corporate lending push
DAMAC	DAMAC gets \$229mn loan to develop tower in London

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	9,196.5	17.5%	4.3%	4.3%	\$583.2	20.7x
ADX	5,292.0	7.7%	4.3%	4.3%	\$144.1	14.7x
DFM	2,813.9	11.2%	6.8%	6.8%	\$75.5	9.9x
Nasdaq Dubai	3,345.3	8.8%	4.5%	4.5%	NP	NP
Qatar	10,348.2	0.5%	2.4%	2.4%	\$134.3	14.3x
Bahrain	1,446.2	8.1%	2.3%	2.3%	\$22.2	9.4x
Oman	3,980.3	-7.9%	-0.1%	-0.1%	\$12.3	8.3x

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