

## Market cues positive ahead of post-holiday trading

### The week ahead

#### Regional markets

Regional investors will resume trading after the Eid-al-Adha holidays, with sentiment likely to be broadly positive in light of both regional and global factors. Last week's recovery in Brent crude oil price, whereby it crossed the \$75 per barrel mark, and Kuwait's decision to provide enhanced visibility pertaining to the future roadmap to end its oil field disputes with Saudi Arabia and Iraq, set an upbeat tone for the coming week. Key US indices also hit all-time highs at the end of last week, which indicates that investor worries remain limited, despite trade tensions in certain regions.

#### Global markets

The week begins with Germany's business climate survey data on Monday. The UK's inflation report hearings and the US' S&P Case-Schiller Home Price Index will be released on Tuesday. The US' 2Q18 GDP (prelim.) and personal consumption expenditure (prelim.), Canada's 2Q18 current account, and Japan's retail trade data will be announced on Wednesday. Thursday will witness the release of Japan and Germany's consumer inflation and unemployment rate data, and Canada's 2Q18 GDP figures. China's official PMI numbers, Eurozone's consumer inflation (prelim.) and unemployment rate, and Germany's retail sales will bring the week to a close on Friday.

#### You may be asked about

Last week, Kuwait's oil minister Bakheet al-Rashidi remarked that an agreement would be reached with Iraq and Saudi Arabia to resolve Kuwait's long-standing oil field disputes with both nations. Kuwait expects to sign a deal with Iraq on joint oil fields by the end of 2018, and to resume oil production in the area it shares with Saudi Arabia soon. According to the Energy Information Administration (EIA) and the Oil & Gas Journal, the Partitioned Neutral Zone (PNZ), established between Kuwait and Saudi Arabia in 1922, holds ~5bn barrels of oil and ~1tn cubic feet of natural gas.

#### Note to management

We are now officially witnessing the longest Bull Run in history. The S&P has not declined by 20% or more since March 9th 2009 - the generally accepted definition of a Bull Run.

But look a little closer, and not all is as rosy as it seems. For every Amazon that has increased its valuation by 3000% over the Bull Run, others have declined. Private Equity is facing unprecedented questions from investors, as its fees and returns struggle to compete with the S&P index. And one glance at the newspapers is enough to tell you that uncertainty and risk reign in geopolitics.

So what should we make of the current record? Should we rejoice with POTUS, who tweeted "Congratulations America"? Or should we retain a more sober, conservative outlook? And how should the IR professional respond to these remarkable times?

Read our thoughts [HERE](#).

#### REGIONAL CALENDAR

26.08.2018	Abu Dhabi Building Materials Price Statistics	-
27.08.2018	KSA Economic Indicators Survey Data	-
28.08.2018	KSA Consumer Inflation Data	-
30.08.2018	KSA Weekly Money Supply Data	Abu Dhabi Statistical Yearbook

#### GLOBAL CALENDAR

27.08.2018	Germany Business Climate Data	-
28.08.2018	UK Inflation Report Hearings	US Home Price Indices Data
29.08.2018	US 2Q18 GDP (preliminary) Data	Japan Retail Trade Data
30.08.2018	Germany Consumer Inflation Data	Japan Consumer Inflation Data
31.08.2018	Eurozone Consumer Inflation (prelim.) Data	China Official PMI Data

### Food for thought

#### IR & BEYOND

IR Magazine / Iridium	What The Longest Bull Run In History Means For IR	<a href="#">Link</a>
The Economist	America's Stockmarket Passes A Milestone	<a href="#">Link</a>
Institutional Investor	Emerging Markets Hedge Funds See First Gains Since January	<a href="#">Link</a>
Bloomberg	Our Guide To What Europe's Top Central Banks Will Do Next	<a href="#">Link</a>
The National	Delay In Aramco IPO Is Unlikely To Hamper Saudi's GDP, Says IMF	<a href="#">Link</a>

#### 3Q 2018 IR CALENDAR

	DATE
GS CEEMEA Financials Symposium, LON	3-4 SEPT
HSBC GEMs 1x1 Conference, LON	3-6 SEPT
DB GEMs 1x1 Conference, NYC	5-6 SEPT
EFG Hermes 1x1 Conference, LON	10-13 SEPT
GS CEEMEA 1x1 Conference, LON	12-13 SEPT
Arqaam Investor Conference, DXB	24-25 SEPT

#### IN CASE YOU MISSED IT . . .

As a result of the Eid holidays, most regional markets were closed for the entire week; however, some markets were open last Sunday. Abu Dhabi (-0.5%) fell on the back of weakness in First Abu Dhabi Bank. Bahrain ended broadly unchanged, while Dubai (+0.4%) inched up due to gains in Emirates NBD. US markets edged higher during the week, as Chairman Jerome Powell expressed confidence that the Fed's current rate hike trajectory is apt. This news interested markets more than the likely outcome of implementation of tariffs between the US and China. NASDAQ (+1.7%) and S&P 500 (+0.9%) closed at record highs and Dow (+0.5%) ended in the green as well. European markets moved higher; CAC40 (+1.4%), DAX (+1.3%) and Stoxx 600 (+0.6%) ended firmly in the green, and FTSE 100 (+0.1%) rose marginally.

#### ASSET CLASS MONITOR

	WTD ↓	YTD
Oil (Brent)	5.55%	13.38%
Aluminum	3.18%	-8.01%
MSCI EM	2.66%	-9.35%
US Treasury Yields	1.95%	50.36%
Gold	1.78%	-7.48%
MSCI World	1.27%	1.28%
S&P 500	0.86%	7.52%
FTSE 100	0.25%	-1.43%
MSCI GCC	-0.06%	10.56%

#### BRENT FUTURES PRICE



#### COMMODITIES

	WTD ↓	YTD
Oil (Brent)	5.55%	13.38%
Oil (WTI)	4.26%	13.74%
Gold	1.78%	-7.48%
Natural Gas	-0.98%	-1.22%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.81	-16	+64
UK	1.28	0	+23
Germany	0.34	-5	-4
France	0.68	-1	-1
Italy	3.14	+47	+105
Switzerland	-0.16	-6	+3
Japan	0.09	+3	+8
Hong Kong	2.04	-4	+58
India	7.87	+9	+134

## GLOBAL AGENDA

<b>US</b>	Releases 2Q18 GDP (preliminary) data
<b>OPEC</b>	Joint Technical Committee of OPEC and its allies meet in Vienna
<b>ECB Chief Economist</b>	Peter Praet to be a part of a discussion at a conference in Germany
<b>European Commissioner</b>	Oettinger discusses the European Union budget at a conference in Brussels
<b>Bank of Japan</b>	Board Member Hitoshi Suzuki gives a speech in Naha, Japan
<b>Eurozone</b>	Releases consumer inflation (preliminary) and unemployment rate data
<b>China</b>	Publishes official PMI data
<b>Germany</b>	Releases consumer inflation (preliminary) and retail sales data
<b>UK</b>	London Stock Exchange to remain closed on Monday on account of a holiday
<b>Earning Releases</b>	Gazprom, Bank of China, Pernod Ricard

## MOST READ REGIONAL SECTOR HEADLINES

<b>Energy</b>	Kuwait aims to settle oil field disputes with Iraq, Saudi Arabia
<b>Banks</b>	UAE banks inject AED 25.4bn in real estate in the year ended June 30
<b>Financials</b>	MedGulf to discuss SAR400mn capital increase on September 10
<b>Industrials</b>	Budget Saudi's market share to grow beyond 25%: CEO
<b>Cement</b>	Al Jouf Cement's Q2 sales revenue hits 8-year low as demand softens
<b>Transport</b>	Middle East's carriers post 11% YoY increase in passenger demand in June
<b>Real Estate</b>	DAMAC Properties has \$300-400mn of unrestricted cash: CFO
<b>Telecom</b>	GO files lawsuit against Saudi CITC to get unified license
<b>Consumer Discretionary</b>	Jarir opens SAR29mn showroom in Khamees Mushait
<b>REIT</b>	Musharaka REIT plans dividend for 6 months ending 17 Aug 2018

## MOST READ REGIONAL COMPANY HEADLINES

<b>ADIB</b>	Abu Dhabi Islamic Bank shareholders approve \$272mn rights issue
<b>Shuaa Capital</b>	Shuaa seeks licenses for investment management, IPO activities
<b>ADNOC</b>	ADNOC to sell minority stakes in refining unit
<b>GFH Financial Group</b>	GFH Financial Group pays off \$200mn sukuk
<b>NCB</b>	The National Commercial Bank says impact of decline in Turkish Lira 'limited'
<b>Saudi Aramco</b>	Government still committed to Saudi Aramco's IPO: Al-Falih
<b>Buruj</b>	CMA approves the capital increase request for Buruj Cooperative Insurance Co
<b>SAPTCO</b>	SAPTCO's subsidiary secures SAR500mn murabaha loan from ANB
<b>Shaker Group</b>	Shaker Group adopts new measures to reduce cost, inventory
<b>Jabal Omar</b>	Jabal Omar extends MoU with SGS for new passenger terminal in Makkah

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	7,867.2	8.9%	-5.4%	-5.2%	\$502.2	17.2x
<b>ADX</b>	4,884.9	11.1%	7.1%	0.5%	\$131.2	12.9x
<b>DFM</b>	2,815.8	-16.4%	-0.2%	-4.7%	\$76.4	7.5x
<b>Nasdaq Dubai</b>	3,228.3	-1.8%	4.0%	-1.5%	NP	NP
<b>Qatar</b>	9,447.9	10.8%	4.7%	-3.8%	\$111.2	14.0x
<b>Bahrain</b>	1,348.0	1.2%	2.8%	-0.8%	\$20.7	9.1x
<b>Oman</b>	4,390.5	-13.9%	-4.0%	1.2%	\$13.2	8.2x

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.

## 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