

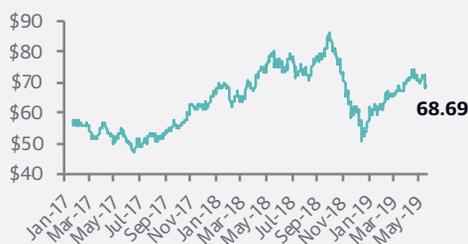
US-Iran standoff, weak oil prices negative for markets

IN CASE YOU MISSED IT . . .

Regional markets closed mixed last week. Abu Dhabi (+1.2%) partially reversed previous week's loss, primarily driven by a rise in First Abu Dhabi Bank and Etisalat. Both Bahrain and Dubai registered identical gains (+0.6%), with Dubai rising on the back of strength in real estate shares. Oman (+0.4%) recouped the earlier week's loss. However, Qatar (-1.4%) slid for a third consecutive week on continued weakness in its banking stocks. Saudi Arabia (-1.1%) declined as crude oil prices fell owing to trade tensions between the US and China. Kuwait (-0.9%) also extended its decline from the previous week. The US markets ended in the red, mainly due to concerns over escalation in the US-China trade war, partly offset by reports that POTUS might ease restrictions on Huawei as a part of larger trade deal with China. The tech-heavy Nasdaq declined (-2.3%), followed by S&P 500 (-1.2%). Dow (-0.7%) fell for a fifth straight week to clock its longest weekly losing streak since June 2011. European indices also declined, amid resignation of the UK Prime Minister. CAC 40 (-2.2%), DAX (-1.9%) STOXX 600 (-1.5%) and FTSE 100 (-1.0%) all ended with losses.

Q1 RESULTS	PROFIT (mn)	Y-O-Y%
SHUAA Capital	AED -24.9	NA
Union Properties	AED 1.7	-99.0%
Makkah Construction	SAR 48.0	+2.1%
Baazeem Trading Co.	SAR 7.0	+8.5%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
Gold	-0.25%	0.07%
MSCI GCC	-0.89%	5.59%
US Treasury	-1.25%	-3.27%
FTSE 100	-1.67%	7.47%
S&P 500	-1.88%	12.58%
MSCI World	-1.90%	9.75%
MSCI EM	-2.60%	1.97%
Aluminium	-4.97%	-6.93%
Oil	-6.69%	25.95%

The week ahead

Regional markets

The geopolitical situation in the Gulf region remains wobbly after the US President approved to send 1,500 additional troops to the region last week, citing Iranian threats, which is likely to keep investors jittery. Moreover, a fall in Brent crude price to below the \$70 per barrel mark on concerns over the demand outlook amid signs that the stand-off between the US and China may be further protracted, will add to the pessimistic sentiment. However, Saudi Arabia is expected to witness a positive impact from inclusion of the Kingdom's securities in the MSCI Emerging Markets Index, effective 28 May 2019.

Global markets

The week begins with the BoJ Governor's speech on Monday. Germany's consumer confidence survey (Jun), Eurozone's business climate (May) indicator and the US' home price index (Mar) will be released on Tuesday. Wednesday's major events constitute Germany's unemployment rate (May). On Thursday, the US' 1Q19 GDP (preliminary) and pending home sales (Apr), in addition to Japan's unemployment rate, industrial production (preliminary) and retail trade (all Apr) will be published. China's official manufacturing PMI (May), Germany's retail sales (Apr) and preliminary consumer inflation (May), the US' personal consumption expenditure (Apr) and Chicago PMI (May) will draw the week to a close on Friday.

You may be asked about

The UAE has launched a permanent residency program for foreign investors under a new "Golden Card" system. Vice President and Prime Minister of the UAE, Sheikh Mohammed bin Rashid Al-Maktoum, tweeted that permanent residency program is for investors and exceptional talents in the field of engineering, science, medicine and arts. This new residency program is expected to encourage entrepreneurship, induce foreign investment and attract top professionals and academics. In the first batch, 6,800 qualified expatriates from more than 70 countries who have collectively invested AED100bn in the country have been selected for the Golden Card.

Note to management

The National Investor Relations Institute (NIRI), the US association for Investor Relations professionals, has published a report called "The Disruption Opportunity".

The report deals with what NIRI calls a "burning platform" moment for the profession. As more and more companies delist from equity markets, the raison d'être of the profession is questioned. The report argues that unless its professionals adapt, IR risks becoming a tactical, commoditized function of limited relevance to the C-Suite.

We believe that the relationship between the providers and recipients of capital will remain in place as long as business and commerce takes place. And the management of that relationship requires a skill-set far beyond the ability to present quarterly earnings and coordinate conference calls.

Iridium will address questions raised in the report in a series of articles starting next week.

REGIONAL CALENDAR

27.05.2019	KSA Merchandise Export & Import	-
28.05.2019	KSA Statistical Bulletin	-
30.05.2019	KSA Weekly Money Supply Data	UAE Banks Statistics

GLOBAL CALENDAR

27.05.2019	BoJ Governor Speech	Japan Leading Economic Index
28.05.2019	US Consumer Confidence	EU Business Climate
29.05.2019	Germany Unemployment Rate	US Fed Beige Book
30.05.2019	Tokyo CPI ex Fresh Food	US GDP Data
31.05.2019	Germany Harmonized CPI	China NBS Manufacturing PMI

Food for thought

IR & BEYOND

NIRI	The Disruption Opportunity	Link
IR Magazine	Saudi mall operator is first IPO to allow US investment	Link
Institutional Investor	Less Than a Quarter of Active Funds Outperform Over the Long Term	Link
Citywire	S&P Dow Jones Indices launches global ESG index series	Link
CFO Magazine	A Company That Gets Managers to Think Like Owners	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.32	-21	-61
UK	0.95	-20	-37
Germany	-0.12	-11	-52
France	0.28	-9	-43
Italy	2.55	-14	+10
Switzerland	-0.45	-9	-40
Japan	-0.08	-4	-11
Hong Kong	1.41	-	-65
India	7.22	-	-57

COMMODITIES	WTD ↓	YTD
Gold	-0.25%	0.07%
Natural Gas	-2.31%	-12.31%
Oil (Brent)	-6.69%	25.95%
Oil (WTI)	-7.89%	27.53%

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.

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GLOBAL AGENDA

US President	Donald Trump to meet Japan's Prime Minister Shinzo Abe
EU	Trade ministers to meet in Brussels to discuss negotiations with the US on industrial tariffs
BoJ Governor	To speak at an event in Tokyo
ECB Vice President	To present the semi-annual financial stability review
US Fed	Vice Chairman Richard Clarida to speak to the Economic Club of New York
US Vice President	Travels to Ottawa to discuss accelerating the ratification of the new North American trade agreement
German Chancellor	To address Harvard University's 2019 commencement.
US Secretary of State	To meet Chancellor Angela Merkel in Berlin
Earning Releases	National Bank of Canada, Abercrombie & Fitch, Oil India, Dell and VMware
Holiday	US and UK market will be closed on Monday

MOST READ REGIONAL SECTOR HEADLINES

Consumer	Saudi Arabia to tax e-cigarettes and more soft drinks
Banks	SABB shareholders approve merger with Alawwal Bank
Financials	Kuwait Finance House sells fleet leasing unit to Turkey's SBK
Energy	Saudi Aramco inks 20-year deal with Sempra for LNG supply
Insurance	Al Koot Insurance and Reinsurance Company signs a health insurance contract with Qatar Airways
Tourism	Qatar attracts 588,000 visitors, 10% YoY rise in 1Q19
Real Estate	Arabtec Construction wins AED207mn villa contract in Dubai
Petrochemicals	Kuwait's KUFPEC signs oil concession agreement in Pakistan
Consumer	UAE set to add 56,701 new hotel rooms by 2020
Telecom	Oatar ranks first in Gulf in mobile Internet. broadband speed

MOST READ REGIONAL COMPANY HEADLINES

Marka Holding	Shareholders vote to wind it down after losses
Sipchem	Dana Gas announces its inclusion in the MSCI Emerging Markets Small Cap Index
Investcorp	Partners with Dock Square Capital for Stakes business
Vodafone Qatar	Expands GigaNet fiber in Lusail's Marina, Fox Hills
Bapco	Completes multibillion-Dollar financing
Ooredoo	To provide infrastructure for new Barwa accommodation complex
Majid Al Futtaim	Said to hire Moelis & Co. to sell finance arm
Mashreqbank	Raises \$175mn with bond reopening
WOQOD	Opens petrol station in Onaiza & Al Mearad
KIB	Kuwait International Bank hires banks for Sukuk meetings

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,621.9	10.2%	-2.2%	-7.3%	\$544.7	19.7x
ADX	4,719.3	-4.0%	-7.0%	-10.2%	\$131.2	13.7x
DFM	2,575.0	1.8%	-2.3%	-6.9%	\$70.2	11.2x
Nasdaq Dubai	3,006.5	-2.2%	-6.1%	-10.3%	NP	NP
Qatar	9,871.9	-4.1%	-2.3%	-4.9%	\$128.9	13.9x
Bahrain	1,399.6	4.7%	-1.0%	-2.4%	\$21.7	10.2x
Oman	3,858.9	-10.8%	-3.1%	-2.2%	\$12.0	8.0x

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