

## Earning releases by major regional banks to be in focus

### IN CASE YOU MISSED IT . . .

Regional markets ended on a mixed note last week. Abu Dhabi (+3.3%) remained the top gainer for a second straight week, partly driven by FAB and Aldar. Dubai (+3.2%) followed closely, as strength in realty stocks aided the index to hit its highest level since mid-November 2018. Qatar (+1.2%) was lifted by energy and banking stocks, while Oman edged up +0.2%. However, Saudi Arabia (-2.4%) reversed the previous week's gain, mostly due to disappointing earnings of some companies. Bahrain (-1.0%) and Kuwait (-0.6%) slipped partially due to profit booking. The US markets closed higher, buoyed by mostly strong corporate earnings, above expected 2Q19 GDP numbers and a budget deal between congressional leaders and the White House. Both the Nasdaq Composite (+2.3%) and S&P500 (+1.7%) reached new record closing highs. Dow Jones (+0.1%) inched higher. Better than expected 2Q19 earning reports from the US and Europe also aided in lifting European indices as DAX (+1.3%), CAC40 (+1.0%), STOXX600 (+0.9%) and FTSE100 (+0.5%) all rose.

Q2 RESULTS	PROFIT (mn)	Y-O-Y%
ETISALAT	AED 2,231.9	+1.5%
Du	AED 463.8	+2.5%
SAFCO	SAR 380.4	-7.3%
Ma'aden	SAR -243.7	NA
DFM	AED 37.6	+10.6%
STC	AED 2,848.0	+16.5%

### BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
US Treasury	2.44%	-14.29%
Oil	2.36%	17.83%
MSCI World	0.37%	16.20%
S&P 500	0.29%	19.82%
MSCI EM	0.24%	9.16%
FTSE 100	-0.05%	11.31%
MSCI GCC	-0.91%	11.42%
Aluminium	-1.75%	-3.93%
Gold	-2.18%	10.30%

### The week ahead

#### Regional markets

Regional markets this week are likely to focus on earning announcements, as several major banks like Al Rajhi Bank, Samba Financial Group and ADCB, are expected to announce their 2Q19 financials. In addition, results of the US Fed's monetary policy meet will also be of interest to investors, given that regional central banks generally replicate the movements in the US benchmark interest rates due to their pegged currencies.

#### Global markets

Investors' attention this week will be on the US Federal Reserve's interest rate decision due on Wednesday. Investors will also closely monitor the Fed Chairman's commentary, in order to assess the trajectory of the central bank's monetary policy. With improving US labor markets, GDP data and benign inflation; the Fed has room to slash its interest rates (which would be its first time in more than a decade). The S&P 500 and the Nasdaq have already notched new highs last week, as investors are expecting a quarter point interest rate cut in the range of 2.00% to 2.25%, amid slowing global growth and global trade concerns. Further, the BoE monetary policy decision is also due this week.

#### You may be asked about

The International Monetary Fund (IMF), in its latest World Economic Outlook, lowered its global economic growth forecast for 2019 and 2020 by 0.1% to 3.2% and 3.5%, respectively. The IMF highlighted further downside risks to global growth resulting from unfavorable development including more tariffs on China or European autos by the US, Britain exiting the European Union without a deal, an increase in geopolitical tensions worldwide as well as high debt levels in several countries. For MENAP (Middle East, North Africa, Afghanistan and Pakistan), the global lender cut its 2019 growth forecast by 0.5 percentage point from its estimates in April to 1%.

#### Note to management

Markets have developed a tendency to regularly disobey normal rules of logic. One investor's buy signal is another's panic button.

It is time to remember the words of the financier Nathan Rothschild from 1810: "Buy on the sound of cannons, sell on the sound of trumpets", or the more recent version coined by Warren Buffet: "Be fearful when others are greedy, be greedy when others are fearful".

The signals and guidance that used to be reliable informers of future performance seem to be no longer relevant. In a confused world, listed companies can play a role in bringing clarity to investors.

Read how they can achieve that [HERE](#).

#### REGIONAL CALENDAR

28.07.2019	KSA Merchandise Exports and Imports Data	KSA Statistical Bulletin
31.07.2019	UAE Quarterly Statistical Publication	-
01.08.2019	KSA Weekly Money Supply Data	-

#### GLOBAL CALENDAR

30.07.2019	US Consumer Confidence Data	BoJ Interest Rate Decision
31.07.2019	US Fed Monetary Policy Statement	EU GDP Data
01.08.2019	China Caixin Manufacturing PMI	BoE Interest Rate Decision
02.08.2019	US Nonfarm Payrolls	US Unemployment Rate

### Food for thought

#### IR & BEYOND

Iridium	Contrarianism: The New Normal for Investors	<a href="#">Link</a>
CFA Institute	Quarterly Reporting Works Very Well, Thank You	<a href="#">Link</a>
IR Magazine	Investors support investment that improves long-term business prospects	<a href="#">Link</a>
FactSet	Incorporating ESG Momentum Into An Investment Strategy	<a href="#">Link</a>
QCA	Survey: Two-thirds of small and mid-caps struggle to manage regulatory burden	<a href="#">Link</a>

<b>EARNINGS CALENDAR</b>	Market	Est/ Conf	Date
ADCB	UAE	E	28 Jul
SADAFCO	KSA	E	28 Jul
Bank Al-Jazira	KSA	E	28 Jul
Ooredoo	Qatar	C	29 Jul
SAMBA	KSA	E	29 Jul
Al Rajhi Bank	KSA	C	1 Aug

## GLOBAL AGENDA

<b>US Fed Chairman</b>	To hold a press conference following the FOMC's interest-rate decision
<b>US Secretary of State</b>	To participate in a series of ASEAN foreign ministerial meetings
<b>BOE</b>	To announce final set of economic forecasts before the Brexit deadline
<b>US</b>	Trade Representative team meet their Chinese counterparts in Shanghai
<b>ASEAN</b>	Foreign ministers to meet in Bangkok
<b>Colombian President</b>	To meet with Chinese Premier Li Keqiang
<b>China</b>	Commerce Minister Zhong Shan to meet US trade representatives
<b>US President</b>	To host Mongolia President Battulga Khaltmaa at the White House
<b>BoJ Governor</b>	To brief on interest rate decision
<b>Earning Releases</b>	Apple, Pfizer, BP, Credit Suisse, Toyota, Square

## MOST READ REGIONAL SECTOR HEADLINES

<b>Infrastructure</b>	UDCD signs QR1.2bn deals for Pearl projects
<b>Transportation</b>	DP World first-half gross container volumes grow 0.5%
<b>Telecommunication</b>	UAE telecom company du warns of second-half revenue decline
<b>Aviation</b>	HIA operations rise 18.9% YoY in the 2Q19
<b>Energy</b>	Duqm refinery completes more than 25% of multi-billion Dollar projec
<b>Banks</b>	Emirates NBD: Oman's NBO gets \$300mn three year syndicated loan
<b>Insurance</b>	QIC Insured product for F&B SMEs
<b>Materials</b>	Saudi Steel Pipe CO awards a contract for the Oil & Gas Steel Pipes
<b>Financials</b>	Evercore Partners to lose top advisory role in Saudi Aramco IPO
<b>Real Estate</b>	Aldar Properties raises business unit's gross profit guidance by 50%

## MOST READ REGIONAL COMPANY HEADLINES

<b>DP World</b>	To jointly invest \$1.2bn for port in Indonesia with Maspion
<b>Saudi Aramco</b>	To boost Saudi Arabia's east-west pipeline capacity to 7mn bpd
<b>KFH</b>	Due diligence on AUB merger taking longer than planned
<b>QP</b>	Buys 25% stake in three Kenyan exploration blocks
<b>Lukoil</b>	Expects to enter UAE concession in October
<b>GFH</b>	Acquires \$180mn Senior Healthcare Portfolio in US
<b>NBB</b>	Resumes discussions for takeover of Bahrain Islamic Bank
<b>Investcorp</b>	Announces majority stake investment into Contentserv
<b>Emaar</b>	Emaar and Beijing Daxing International Airport in deal on \$11bn project
<b>Gulf Bank</b>	Kuwait Wealth Fund to sell \$502mn stake in the Bank

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	8,819.0	12.7%	0.0%	0.0%	\$561.3	20.2x
<b>ADX</b>	5,387.8	9.6%	8.2%	8.2%	\$147.4	16.0x
<b>DFM</b>	2,850.7	12.7%	7.2%	7.2%	\$77.6	11.6x
<b>Nasdaq Dubai</b>	3,413.7	11.0%	8.8%	8.8%	NP	NP
<b>Qatar</b>	10,631.3	3.2%	1.7%	1.7%	\$139.4	14.0x
<b>Bahrain</b>	1,522.7	13.9%	3.5%	3.5%	\$23.8	10.9x
<b>Oman</b>	3,754.8	-13.2%	-3.4%	-3.4%	\$11.8	7.2x

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  
ir@iridium.ae  
www.iridium.ae