

Saudi Arabia continues to be in the limelight

3Q 2018 IR CALENDAR	DATE
GS CEEMEA 1x1 Conference, LON	12-13 NOV
BAML Investor Conference, RUH	12-13 NOV
UBS GEMs Conference	27-28 NOV

IN CASE YOU MISSED IT . . .

Regional markets ended mixed; Saudi Arabia (+2.5%) reached its highest level in two weeks on the back of strong corporate earnings and improved investor sentiment amid sizeable deals announced by the government at the conclusion of the three-day 'Davos in the Desert' investment conference, and state backed-funds countering foreign selling. Abu Dhabi (-2.1%) ended firmly in the red, with Dubai (-0.8%), Bahrain (-0.6%) and Qatar (-0.4%) also closing lower. Kuwait ended flat, but Oman (+0.2%) edged up. The US markets fell sharply, rattled by unimpressive earnings from some large-cap firms and rising fears of tightening monetary policy. Accordingly, all the year-to-date (YTD) gains were wiped out from S&P 500 (-3.9%) and Dow (-3.0%); NASDAQ (-3.8%), though up YTD, closed more than 10% below its recent highs. Europe too ended firmly in the red; DAX (-3.1%), STOXX 600 (-2.5%), CAC 40 (-2.3%) and FTSE 100 (-1.6%) registered losses.

Q3 RESULTS	PROFIT (mn)	Y-O-Y%
CBQ	QAR404.6	+409.6%
Saudi Telecom	SAR2,643.0	+2.9%
ADCB	AED1,151.0	+5.4%
Bank Albilad	SAR287.0	+15.7%
NCB	SAR2,454	+15.4%
Saudi Arabian Fertilizer	SAR522.2	+177.2%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD	YTD
MSCI GCC	1.81%	12.63%
US Treasury	0.86%	68.35%
Gold	0.52%	-5.42%
FTSE 100	-0.33%	-8.89%
Aluminum	-1.35%	-11.65%
MSCI EM	-2.26%	-18.08%
S&P 500	-2.28%	1.20%
MSCI World	-2.76%	-6.28%
Oil	-3.03%	14.98%

The week ahead

Regional markets

Despite global market turbulence, regional investors may see a glimmer of hope thanks to encouraging corporate earnings, in contrast to weaker results of US-based companies. Investors will also watch for positive takeaways from the 'Davos in the Desert' investment conference that concluded in Riyadh, and likely outcomes to Saudi Arabia's diplomatic outreach to western allies, given its increasingly conciliatory stance in light of widespread outrage over the death of journalist, Jamal Khashoggi. Yet, if oil prices continue to weaken, regional investors could also turn bearish in a hurry [*Who's afraid of the big bad bear?*]. Emirates NBD, Emirates Islamic Bank and Qatar Gas Transport are scheduled to release 3Q18 earnings this week.

Global markets

The week begins with the release of the US' September core personal consumption expenditure on Monday. The Eurozone's 3Q18 GDP (prelim) numbers will be published on Tuesday. Wednesday will witness Bank of Japan's interest rate decision and release of the monetary policy statement, followed by the release of Eurozone's October consumer inflation (prelim) data. Thursday will see key interest rate decisions by the People's Bank of China and Bank of England, with the latter also scheduled to release its monetary policy statement and meeting minutes. The release of key US employment data for October, including non-farm payrolls, and Canada's unemployment statistics will bring the week to a close on Friday.

You may be asked about

Saudi Arabia's Minister of Energy, Industry and Mineral Resources, Khalid Al-Falih, announced that over 25 deals worth \$56bn were signed at the Riyadh Future Investment Initiative (FII) forum, which concluded on October 25. He added that American companies accounted for most of the deals signed. Furthermore, the Ministry of Housing signed two agreements and a MoU; the Minister of Housing, Dr. Majed Al-Hoqail, said the agreements will lead to creation of over 15,000 jobs for citizens through localization of technologies. Separately, a deal to set up healthcare facilities entailing investments worth up to SAR6bn was also signed on the sidelines of the FII conference.

Note to management

Market volatility is becoming the defining characteristic of 2018. Alarmingly, the macro forces buffeting capital markets seem to be beyond the control of their constituents: Geopolitics, trade wars and monetary policy all have a role to play in the current uncertainties, elements which are beyond the control of listed firms.

How should companies respond to uncertain times? How should they explain that their share price is being driven by "force majeure"? Should they change their approach to investors? Or should they soldier on, watching their share prices being buffeted by macro storms?

We outline some fundamental principles for IR teams and senior management, and seek to restore some calm to these choppy waters.

Read our thoughts [HERE](#).

REGIONAL CALENDAR

29.10.2018	KSA Statistical Bulletin	-
31.10.2018	UAE Agriculture and Birth Statistics	-
01.11.2018	KSA Weekly Money Supply Data	-

GLOBAL CALENDAR

29.10.2018	US Personal Consumption Expenditure	Japan Retail Trade Data
30.10.2018	EU GDP Data	Germany Consumer Price Index
31.10.2018	Japan BoJ Monetary Policy Statement	EU Consumer Price Index
01.11.2018	China PBoC Interest Rate Decision	UK BoE Interest Rate Decision
02.11.2018	US Non-farm Payrolls Data	UK PMI Construction

Food for thought

IR & BEYOND

IR Magazine / Iridium	Who's Afraid of the Big Bad Bear?	Link
Institutional Investor	Stock Markets Face Historic Lack of Dry Powder	Link
CFO Magazine	Caution: Stocks Are Historically Overvalued	Link
The Economist	The Agony Of The Value Investor	Link
Arab News	What does a post-Khashoggi Saudi Arabia look like?	Link

<u>EARNINGS CALENDAR</u>	Market	Est/ Conf	Date
Qatar Gas Transport Co.	Qatar	C	28 Oct
Emirates NBD	UAE	C	29 Oct
Ezdan Holding Group	Qatar	C	29 Oct
Commercial Bank Int'l	UAE	C	29 Oct
Emirates Islamic Bank	UAE	C	29 Oct
ADNIC	UAE	C	30 Oct
Al Mazaya Holding Co.	UAE	C	30 Oct

GLOBAL AGENDA

WTO	To consider US' request to investigate possible violations related to China's intellectual property policies
India	Prime Minister Narendra Modi visits Japan to meet his counterpart
BoE	Policy decision and forecasts
UK	The Treasury Chancellor presents the economic forecast for next year
European Commission	To release economic growth forecasts
BoJ	To announce monetary policy decision and briefing
EU	EU to release unemployment rate data
China	Central bank to announce interest rate decision
EU	Markit manufacturing PMI to be released
Earning Releases	Apple, Alibaba, Berkshire Hathaway, HSBC, BNP Paribas, Exxon Mobil and BP

MOST READ REGIONAL SECTOR HEADLINES

Energy	Total to announce retail network in Saudi Arabia with Saudi Aramco
Banks	First Abu Dhabi Bank to start commercial banking in KSA by end of 4Q2018
Financials	GFH Financial Group exits major Bahrain water-park project
Education	GEMS Education venture may invest \$800mn in Saudi Arabia
Infrastructure	Dubai floats tenders for largest airport substructure package
Insurance	S&P reaffirms 'A-' rating for Oman Insurance Company
Transportation	Saudia in talks with Airbus, Boeing for \$5bn worth of orders
Mining	Ma'aden signs contract with Daelim Industrial to construct an ammonia plant
Healthcare	NMC Health, Hassana Investment Co. to build healthcare network in KSA
Utility	Siemens said to delay signing \$20bn Saudi Arabian Power deal

MOST READ REGIONAL COMPANY HEADLINES

Arabtec Holdings	Arabtec Holding wins AED610mn in contracts from Expo Dubai and Damac
Emirates REIT	Emirates REIT plans to raise up to AED500mn loan
Saudi Aramco	Saudi Aramco signs deals worth \$34bn at FII
Tabarak	Tabarak Investment Capital signs commodity trading agreement
Petronas	Petronas buys 10% stake in Oman's Al Khazzan field
NPCC	NPCC inks SAR160mn deal with Saudi Aramco
SABIC	SABIC to invest SAR1.6bn in silicon plants in Jubail
Apicorp	Moody's changes outlook on Apicorp to 'Positive', affirms 'Aa3' rating
Saudi Re	Saudi Re eyes boosting footprint in Egypt
Qatalum	Qatalum gets nod from QFMA for IPO

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,835.6	8.4%	-2.0%	-2.0%	\$504.9	16.2x
ADX	4,882.3	11.0%	-1.1%	-1.1%	\$131.5	14.0x
DFM	2,736.4	-18.8%	-3.5%	-3.5%	\$73.7	7.3x
Nasdaq Dubai	3,182.9	-3.2%	-2.1%	-2.1%	NP	NP
Qatar	10,153.4	19.1%	3.5%	3.5%	\$133.9	15.0x
Bahrain	1,315.5	-1.2%	-1.7%	-1.7%	\$20.3	8.8x
Oman	4,452.9	-12.7%	-2.0%	-2.0%	\$13.6	10.2x

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