

## Regional markets likely to show weak sentiment

### 2H 2019 EVENTS CALENDAR

	DATE
Future Investment Initiative, RUH	29-31 OCT
GS CEEMEA Conference, LON	11-12 NOV
UBS GEMs Conference, NYC	3-5 DEC

### IN CASE YOU MISSED IT . . .

Both Kuwait (+3.5%) and Bahrain (+2.1%) partially reversed their prior week's loss. Saudi Arabia (+1.3%) added to its gains of the previous week, following inclusion of its stocks by FTSE Russell and S&P Dow Jones into their emerging market indices earlier last week. Oman (+0.6%) also edged up. However, Abu Dhabi (-1.1%) slipped, followed by Qatar (-0.9%) which fell as foreign institutions and domestic retail investors became net sellers. Dubai (-0.8%) was weighed down by realty and banks as ratings agency Fitch said a weakening UAE property market will put pressure on banking sector's asset quality. The US markets declined for a second consecutive week, amid mixed economic data, launch of an impeachment inquiry against POTUS and downbeat news in the US-China trade relations. Nasdaq Composite (-2.2%) was the top loser, followed by S&P500 (-1.0%) and Dow Jones (-0.4%). European indices largely closed down as except FTSE100 (+1.1%), CAC40 (-0.9%), DAX (-0.7%) and STOXX600 (-0.3%) all inched lower.

### BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
FTSE 100	0.95%	10.38%
MSCI GCC	0.38%	2.23%
Gold	-0.13%	16.73%
MSCI World	-1.34%	14.06%
MSCI EM	-1.48%	3.70%
S&P 500	-1.50%	18.15%
Aluminium	-2.84%	-8.38%
Oil	-3.87%	15.07%
US Treasury	-6.74%	-26.53%

### The week ahead

#### Regional markets

Regional markets are likely to exhibit downbeat sentiment following weakness in global equity markets. Crude oil prices weakened last week (Brent: -3.7%) after reports that oil supplies from Saudi might be restored to normal sooner than expected. Also, realty stocks in Dubai might continue to remain under pressure as several industry reports still suggest weakness in the UAE property sector is set to remain. Meanwhile, investors will focus on the 3-day 'Future Investment Initiative' taking place in Riyadh, starting on 29 September and organized by the PIF.

#### Global markets

Investors' focus this week will be on the US employment figures. It will be interesting to see if there could be a surprise pick-up in wage growth or slowing job growth will continue the past few months trend. This could increase bets on a further rate cut by the Fed. Moreover, investors will also closely monitor developments on the US' decision to limit portfolio inflows into China. Meanwhile, reports on home prices and the final reading on second-quarter economic growth for the UK, consumer prices in Germany and Eurozone along with the US and China's manufacturing PMI may set the course for global markets.

#### You may be asked about

Prime Minister of the UAE and Ruler of Dubai HH Sheikh Mohammed bin Rashid Al Maktoum has issued a new law pertaining to the joint ownership of real estate in Dubai. The law will be effective within 60 days from its publication in the Official Gazette, and will be applicable to all major realty development projects and jointly owned properties in the Emirate, including those situated in free and special development zones. The law addresses in detail duties and obligations of various parties involved in a real estate project, such as developers and owners, so as to ensure that the rights of all parties are protected. This comprehensive law thus intends to boost investment and competitiveness in the real estate sector.

#### Note to management

The 11<sup>th</sup> Middle East Investor Relations Association conference and awards were held in Dubai last week, under the theme 'The age of engagement'. The strongest sense to emerge from the event was that the region has come a long way in terms of engagement, but that there still remains a long way to travel on the journey to a properly engaged regional IR function.

The strongest message from the 2019 MEIRA awards was that Saudi Arabia has finally taken its place as the most important capital market in the region with Al Rajhi Bank (an Iridium client) emerging as the big winner of the most coveted awards, including the Grand Prix for overall best IR in the Middle East, best CFO, best IRO, as well as the best IR in Saudi Arabia.

Read our coverage of the event in IR Magazine or click [HERE](#)

### REGIONAL CALENDAR

29.09.2019	KSA Statistical Bulletin	-
30.09.2019	Abu Dhabi Industrial Production Index	Abu Dhabi Statistical Year Book
30.09.2019	KSA quarterly national accounts indicators	-
03.10.2019	KSA Exports and Imports	-
03.10.2019	KSA Weekly Money Supply	-

### GLOBAL CALENDAR

30.09.2019	China Caixin Manufacturing PMI	UK GDP
01.10.2019	Eurozone Consumer Inflation (Prelim)	US ISM Manufacturing PMI
02.10.2019	UK Markit Construction PMI	-
03.10.2019	Eurozone Markit PMI Composite	US ISM Non Manufacturing PMI
04.10.2019	US Average Hourly Earnings	US Nonfarm Payrolls

## Food for thought

### IR & BEYOND

Iridium/ IR Magazine	MEIRA Conference and Awards: Engagement is everything	<a href="#">Link</a>
Citywire Middle East	Lombard Odier makes case for GCC bonds in Asia portfolios	<a href="#">Link</a>
Institutional Investor	The Last Time the Market Acted This Way, Value Stocks Gained 30 %	<a href="#">Link</a>
Reuters	After WeWork debacle, IPO market slams brakes on unprofitable companies	<a href="#">Link</a>
IPE	Chart of the Week: Investors still believe ESG investing limits returns'	<a href="#">Link</a>

Sunday, 29.09.2019

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.68	+20	-138
UK	0.49	+6	-108
Germany	-0.58	+14	-104
France	-0.29	+15	-109
Italy	0.82	-22	-232
Switzerland	-0.84	+26	-82
Japan	-0.25	+4	-37
Hong Kong	1.10	-	-
India	6.72	+15	-130

COMMODITIES	WTD ↓	YTD
Gold	-0.13%	16.73%
Oil (WTI)	-3.82%	23.12%
Oil (Brent)	-3.87%	15.07%
Natural Gas	-5.28%	-18.23%

## GLOBAL AGENDA

<b>Russia Energy Week</b>	Russia and Saudi energy ministers to meet in Moscow
<b>Fed Chairman</b>	Jerome Powell opens a "Fed Listens" event in Washington
<b>Chicago Fed President</b>	Charles Evans delivers speech in Madrid
<b>RBI</b>	To announce interest rate decision
<b>UK</b>	To release GDP and PMI data
<b>ECB Chief Economist</b>	Philip Lane delivers a speech in Los Angeles
<b>Chinese President</b>	Xi Jinping marks the 70th anniversary of the People's Republic of China
<b>US</b>	To publish employment, PMI and auto sales numbers
<b>Japan</b>	To release industrial production, retail sales and employment figures
<b>Earning Releases</b>	PepsiCo, Tesco, Costco, H&M, Kewpie, etc

## MOST READ REGIONAL SECTOR HEADLINES

<b>Energy</b>	Saudi Arabia retains top spot for China crude imports
<b>Aviation</b>	Dubai Aerospace wins \$1.4bn deal to manage aircraft
<b>Real Estate</b>	Cumulative investment in Dubai real estate hits \$381bn
<b>Banks</b>	Saudi bank deposits rise ~4% in 2Q 2019
<b>Financials</b>	Saudi Real Estate Refinance Co plans up to SAR1bn sukuk
<b>Tourism</b>	Tourist arrivals hit 10.86mn in Abu Dhabi, Dubai in six months
<b>Industrial</b>	Saudi Arabia waives fees on expats working in industrial sector
<b>Telecom</b>	Oman's telecom operators target 5G based pilot projects
<b>Logistics</b>	UAE logistics sector's contribution to GDP to hit 8% by 2021
<b>Construction</b>	QFZA invites construction firms to explore opportunities in Free Zones

## MOST READ REGIONAL COMPANY HEADLINES

<b>Islamic Development Bank</b>	Islamic Development Bank set to raise \$1.5bn in Sukuk
<b>Saudi Aramco</b>	Saudi Aramco seeks project finance loan of more than \$1bn
<b>Raysut Cement</b>	Raysut Cement plans to achieve 20m tpa capacity
<b>National Gas</b>	National Gas, Petredec sign pact to set up LPG storage facility in India
<b>Mubadala</b>	Mubadala to invest \$500mn in Cologix
<b>Al Salam Bank</b>	Bahrain-based Al Salam Bank buys 392,000 treasury shares
<b>Ooredoo</b>	Ooredoo to provide telecom, media services to broadcasters for IAAF worlds
<b>Samba Financial Group</b>	Saudi Samba Financial Group sells \$1bn five-year bonds
<b>KNPC</b>	Kuwait's state refiner lowers maximum capacity target by 20%
<b>SABIC</b>	SABIC says feedstock supply back to normal levels

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	8,028.2	2.6%	-9.0%	0.1%	\$510.3	19.9x
<b>ADX</b>	5,069.4	3.1%	1.8%	-1.9%	\$140.1	15.2x
<b>DFM</b>	2,798.2	10.6%	5.3%	1.4%	\$77.0	11.8x
<b>Nasdaq Dubai</b>	3,169.5	3.1%	1.0%	-2.3%	NP	NP
<b>Qatar</b>	10,420.0	1.2%	-0.3%	1.8%	\$137.8	15.1x
<b>Bahrain</b>	1,521.3	13.8%	3.4%	-0.8%	\$23.7	11.4x
<b>Oman</b>	4,016.0	-7.1%	3.4%	0.3%	\$12.8	8.2x

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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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