

Strength in crude oil prices to keep markets firm

IN CASE YOU MISSED IT . . .

GCC markets were mixed last week. Sentiments improved in the latter half of the week on crude crossing the \$67/barrel mark for the first time since May 2015. Bahrain (+1.9%) outperformed the region, while Abu Dhabi (+1.1%) was supported by gains in Dana Gas and ADNOC distribution. Dubai (0.1%) ended marginally higher on gains in infrastructure and real estate stocks. Qatar (-1.1%) witnessed some profit booking after surging over the last couple of weeks. Tadawul (-0.1%) recouped early losses on gains in petrochemical stocks. Oman (-0.3%) and Kuwait (-0.1%) too ended in the red. In US, Nasdaq (-0.7%), S&P500 (-0.4%) and the Dow (-0.1%) ended lower amid tepid market activity owing to the holiday season. Meanwhile, the FTSE100 (+1.3%) closed at an all-time-high driven by gains in mining stocks. The DAX (-1.2%), CAC40 (-1.0%) and Stoxx 600 (-0.3%) also ended lower on account of the holiday season.

ASSET CLASS MONITOR	WTD ↓	YTD
Aluminum	4.92%	32.29%
US Treasury Yields	4.51%	172.55%
Oil (Brent)	2.48%	17.69%
Gold	2.25%	13.53%
MSCI EM	1.52%	34.35%
FTSE 100	1.25%	7.63%
MSCI World	0.34%	21.62%
MSCI GCC	0.22%	0.66%
S&P 500	-0.36%	19.42%

BRENT SPOT PRICE



COMMODITIES	WTD ↓	YTD
Natural Gas	10.72%	-20.70%
Oil (WTI)	3.34%	12.47%
Oil (Brent)	2.48%	17.69%
Gold	2.25%	13.53%

The week ahead

Regional markets

GCC markets are expected to open on a firm note taking support from strength in crude oil prices, which rose to a two-and-a-half year high. The recent US Energy Information Administration report, which suggested a steady decline in US crude inventories, combined with news of a Libyan oil pipeline explosion, have pushed crude prices higher.

Global markets

It will be another short trading week for the international markets and trading activity is expected to remain subdued. The week begins with the Chinese, German, Eurozone, British and US manufacturing PMI on Tuesday. This would be followed by the FOMC minutes, US ISM manufacturing PMI and German unemployment on Wednesday. US initial jobless claims will be released on Thursday along with US, Eurozone and Chinese services PMI figures. On Friday, US unemployment change, nonfarm payrolls and factory orders data is due, followed by German retail sales and Eurozone retail inflation figures.

You may be asked about

Many market participants in the regional markets expect 2018 to begin on a positive note. This is mainly due to the prospect of higher crude oil prices with the market gradually moving towards a balance, as indicated by inventory drawdown in the US. Expansionary budgets announced by key GCC members are likely to provide the economic growth stimulus that is required for a healthy pick-up in economic and investor sentiments. However, the ongoing geopolitical tensions with Iran and Qatar, the conflict in Yemen and the instability in Lebanon could weigh down heavily on market performance.

Note to management

In 2018, analysts and investors will not be as patient with companies as in 2017. Reflecting on many conversations we had with issuers, investors and intermediaries, here is a list of topics that boards, C-level executives and IROs should think about in the year ahead:

1. Understand the valuation drivers of your company
2. Know the financial performance of your global industry peer group
3. Recognize the importance and impact of market perceptions
4. Know your equity story and what makes your company attractive to investors
5. Don't send mixed messages to the investment community:
6. Provide more formal guidance and targets
7. Compare the quality of your IR materials to regional and international peers
8. Be ready to respond to unexpected market events or crises
9. Communicate more effectively through digital channels
10. Start linking management compensation to share price performance

REGIONAL CALENDAR

01.01.2018	-	-
02.01.2018	Abu Dhabi Industrial Production Index	-
03.01.2018	-	-
04.01.2018	KSA Weekly Money Supply	-

GLOBAL CALENDAR

02.01.2018	China Caixin Manufacturing PMI	Eurozone Manufacturing PMI
03.01.2018	Germany Unemployment Rate	FOMC Minutes
04.01.2018	Eurozone Composite PMI	-
05.01.2018	US Unemployment Rate	US Non-farm Payrolls Data

Food for thought

IR & BEYOND

IR Magazine	The top 10 most read IR magazine articles of 2017	Link
Institutional Investor	Most Read of the Year: 2017	Link
Bloomberg	New year, new regulations as MiFID II and PRIIPs become reality	Link
AT Kearney	Year-Ahead Predictions 2018	Link
Arab News	Saudi Aramco faces a momentous year as IPO deadline looms	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.41	0	-4
UK	1.19	-14	-5
Germany	0.42	+6	+22
France	0.77	+10	+10
Italy	2.00	+26	+19
Switzerland	-0.21	-4	+5
Japan	0.04	+1	0
Hong Kong	1.67	-	-16
India	7.32	+27	+81

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

Federal Reserve	Releases the minutes from its December policy meeting
Monsanto	Releases Quarterly Earnings
US President	Meets with Republican leaders to map a 2018 legislative agenda
China	Publishes Manufacturing and Non-manufacturing PMI Data
Germany	Releases Unemployment Rate Figures
US	Publishes ISM Manufacturing PMI Data
St. Louis Fed	Fed President delivers a keynote address in Philadelphia
US	Releases Unemployment Rate and Non-farm Payrolls Data
New Year's Day	Most global markets will be closed on January 1, 2018

MOST READ REGIONAL SECTOR HEADLINES

Banks	GCC's banking sector performance to be resilient in 2018, Moody's
Materials	YANSAB plans 17.5% dividend for H217
Energy	OPEC and non-OPEC compliance with oil cuts reaches 122% in November
Financials	Muscat Capital launches Al Masha'ar Fund to invest in real estate
REIT	ENBD REIT buys community retail center in Dubai Silicon Oasis
Utilities	Abu Dhabi's Tabreed to operate Masdar City's first district cooling plant
Transportation	Qatar Airways postpones Airbus A350-1000 delivery to next year
Healthcare	Emirates Healthcare is said to hold talks to buy Alameda Health
Real Estate	Saudi Arabia's real estate sales rise 37.1% MoM in Nov
Telecom	Ooredoo hosts South Korean startup delegation to explore partnerships

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Saudi Aramco ink pacts to build two industrial units
NMC Healthcare	NMC Health denies report it's in talks for acquisition in Egypt
ADNOC	Adnoc cuts Feb. crude nominations as It complies with OPEC deal
Agility	Kuwait's Agility unit UPAC signs pact with Ahli Bank and Gulf Bank
Mulkia REIT	Mulkia REIT signs SR300mn Islamic facilities with Bank Albilad
Eshraq Properties	Eshraq gets executive council approval to own real estate in Abu Dhabi
Union Properties	Union Properties to list Serveu unit in Dubai in H2 2018
Mouwasat	Mouwasat signs construction works contract with Project Build Company
Omantel	Omantel partners with SAP to provide cloud implementation
Arabtec	Arabtec wins \$279 million contract for Dubai Property Project

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,230.61	0.3%	-0.7%	3.2%	\$ 456.30	17.1 x
ADX	4,398.44	-3.3%	0.0%	2.7%	\$ 114.04	15.8 x
DFM	3,370.07	-4.6%	-5.4%	-1.5%	\$ 78.22	21.3 x
Nasdaq Dubai	3,288.69	-0.2%	-4.0%	-0.1%	n/a	n/a
Qatar	8,526.00	-18.3%	2.6%	10.5%	\$ 97.11	13.8 x
Bahrain	1,306.03	7.0%	1.8%	1.7%	\$ 20.22	7.7 x
Oman	5,047.14	-12.7%	-1.8%	-1.2%	\$ 14.17	12.1 x

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