

Q3 2017 earnings season kicks off

IR CALENDAR	DATE
JP Morgan Saudi Arabia Forum, NY	10-11 OCT
DFM Roadshow (Merrill Lynch), NY	16-17 OCT
EFG Hermes Conference, LON	7-10 NOV
Merrill Lynch MENA Conference, DXB	15-16 NOV
QSE 8th Annual IR Conference, DOH	20 NOV
Iridium C-Suite Dinner, DXB	23 NOV

IN CASE YOU MISSED IT . . .

The Tadawul closed flat as crude oil prices were under pressure during the week. However, car related stocks gained after the government announced that women would be allowed to drive from June 2018. Qatar (-2.2%) continued to decline, falling to a 5-year low as foreign funds continued to sell ahead of Q3 results. Oman (+1.5%) was the best performing market in the region, followed by Dubai (+0.8%) and Abu Dhabi (+0.4%). Kuwait (-0.3%) slipped despite being upgraded to secondary EM status by FTSE. The Dow (+1.7%) and the S&P 500 (+1.2%) closed higher for the week, supported by increased prospects of tax reforms, extending their winning streaks to four weeks. The FTSE 100 index (+2%) recorded its strongest weekly gain since December, boosted by a weaker pound. The Stoxx Europe 600 (+0.3%) also closed higher.

ASSET CLASS MONITOR	WTD ↓	YTD
FTSE 100	2.04%	5.32%
MSCI EM	1.98%	27.93%
S&P 500	1.19%	13.87%
US Treasury Yields	0.94%	109.80%
MSCI World	0.82%	16.37%
Aluminum	0.52%	25.21%
MSCI GCC	0.08%	1.42%
Gold	-0.24%	11.26%
Oil (Brent)	-3.34%	-2.11%

BRENT SPOT PRICE



COMMODITIES	WTD ↓	YTD
Gold	-0.24%	11.26%
Oil (Brent)	-3.34%	-2.11%
Oil (WTI)	-4.61%	-8.25%
Natural Gas	-4.79%	-23.12%

The week ahead

Regional markets

WTI crude slipped below USD 50 on Friday, marking the end of a short term rally. This could set the tone for a negative start to the week for GCC markets. Some major companies are expected to report earnings this week (QNB, Jarir, Dubai Islamic Bank) which will give additional direction for markets for the weeks ahead. Geopolitical issues may also come back to haunt GCC equities with POTUS likely to announce more details on US policy towards Iran.

Global markets

The week will start with China services PMI data and UK retail sales on Monday, followed by the industrial production data of several European countries on Tuesday. Investors will look forward to the release of FOMC meeting minutes, due Wednesday, to get clarity on the policymakers thinking. A number of FOMC members are scheduled to be speaking this week, in addition to the ECB President Mario Draghi, who is expected to provide a hint of the central bank's policy going forward. China trade data will be published on Friday, along with US retail sales and inflation numbers. Major US banks (JPM, Citi, BoA) are scheduled to report their earnings this week, kicking off the Q3 earnings season.

You may be asked about...

Saudi Q2 GDP showed that the country is in a technical recession, as the oil sector contracted as a result of the cut in crude oil production. Nevertheless, Standard & Poors affirmed the Kingdom's A-/A-2 foreign and local currency sovereign ratings with a stable outlook, citing a strong government balance sheet. A historic visit by the Saudi King to Russia suggested that the two countries are moving closer. The two countries signed a number of MoU's for weapons, energy, ICT, infrastructure, and commerce sectors.

Note to management

MiFID II comes into effect in less than three months from now, and is expected to impact not only European capital markets, but potentially the global investment landscape. A few points to stay ahead of developments:

1. Prepare for a reduction in 'free' service provision from brokers.
2. Expect the gap between large- and small-cap companies to expand as broker focus continues to favor widely held companies.
3. IR will need to be more self-reliant for research provision and corporate access execution in order to meet the buy side's expectations.
4. The effects of MiFID II will ripple across the global investment community - not just Europe

Ipreo spoke to 50 institutional investors with \$1.5 tn in AUMs. Find out more here: [Link](#)

REGIONAL CALENDAR

08.10.2017	-	
09.10.2017	-	
10.10.2017	-	
11.10.2017	-	
12.10.2017	Abu Dhabi Agriculture Statistics 2016	KSA Weekly Money Supply

GLOBAL CALENDAR

09.10.2017	China Caixin Services PMI	
10.10.2017	Germany Trade Balance	UK Production Figures
11.10.2017	US FOMC Minutes	UK Inflation Report Hearings
12.10.2017	Eurozone Industrial Production	China FDI Data
13.10.2017	US Retail Sales	US Consumer Inflation

Food for thought

IR NEWS & VIEWS

IR Magazine	The world's first giga-cap: Aramco's IPO will define Arabian investor relations	Link
PwC	Robo-advisers: SEC steps up scrutiny	Link
Inst. Investor	Burbank's Passport [Capital] Suffers Another Sharp Drop in Assets	Link
Fortune	Do Shareholders Win When Activists Win?	Link
The National	Iridium's growth driven by the finer points of investor relations	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.36	+32	+64
UK	1.36	+39	+39
Germany	0.46	+15	+44
France	0.73	+12	+42
Italy	2.14	+23	+76
Switzerland	-0.08	+14	+46
Japan	0.05	+5	+11
Hong Kong	1.65	+34	+73
India	6.76	+24	+3

EARNINGS CALENDAR*	COUNTRY	DATE
Jarir Marketing Co.	KSA	8 OCT
Medicare Group	Qatar	10 OCT
QNB Group	Qatar	11 OCT
Riyad Bank	KSA	11 OCT
Dubai Islamic Bank	UAE	11 OCT

*These are estimates as most companies in the region do not formally announce their earnings release date.

RESULT ANNOUNCED	NET PROFIT	Y-O-Y%
Advanced Petchem. Co.	SAR 208	+10%

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. Our consultants are former in-house practitioners and IR industry leaders with deep domain expertise in finance, communications and capital markets. We operate as an extended management workbench to design IR functions, build IR capabilities and operate IR programs.

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GLOBAL AGENDA

Federal Reserve	Releases the FOMC minutes of the September 19-20 policy meeting
IMF and World Bank	Will conduct their respective annual meetings
Canada PM	Justin Trudeau is expected to meet the US President
JP Morgan Chase	Releases quarterly results
China	Releases Trade Balance Data
Brexit negotiations	Commencement of the fifth round of Brexit negotiations
BoJ Governor	Will deliver a speech in Tokyo
Citigroup	Releases quarterly results
Nobel prizes	Announcement for Economics

MOST READ REGIONAL SECTOR HEADLINES

Banks	Saudi Central Bank has 3 banking license bids at advanced stages
Real Estate	Emaar Properties' development business valued at \$6.5bn ahead of IPO
Energy	Saudi Aramco raises November light grade crude pricing for Asia
Financials	Saudi Reinsurance Co. gets SAMA's approval to buy stake in Probitas
Consumer Staples	Savola Group is said to be in talks to buy Sanabel Al-Salam
Materials	Advanced Petrochemical recommends SAR 0.7/share dividend for Q3 2017
Cement	Arabian Cement in preliminary talks on merger with Al Safwa
Retail	Almarai seeks shareholders approval for capital increase
Transportation	Qatar's Trans Oceans and Oman's Naseera sign ferry transport agreement
Telecom	Omantel considers Increasing stake in Zain

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Petronas plans to sell half of polymers business to Aramco for \$900mn
STC	STC asks banks for more time in Turk Telekom debt talks
Bank Muscat	Bank Muscat's Meethaq, A'Saffa Foods signs OMR 31.5mn agreement
ADNOC	Abu Dhabi National Oil Company to start syndicating \$6bn loan
Dana Gas	UAE court postpones judgment at Dana Gas Sukuk hearing
Drake & Scull	Tabarak Investment injects AED500mn in Drake & Scull International
Maaden	Maaden and Russia's Phosagro sign agreement
Mashreqbank	Bank to cut branches as it shifts towards digital banking
Qatar Airways	Qatar Airways to see pre-blockade traffic volumes by year-end
SABIC	Opened new polypropylene plants in the Netherlands

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,259.22	0.7%	-0.3%	-0.3%	\$ 464.40	17.7 x
ADX	4,414.16	-2.9%	0.4%	0.4%	\$ 115.27	16.3 x
DFM	3,591.10	1.7%	0.8%	0.8%	\$ 83.64	23.7 x
Nasdaq Dubai	3,450.20	4.7%	0.7%	0.7%	n/a	n/a
Qatar	8,132.05	-22.1%	-2.2%	-2.2%	\$ 92.34	13.3 x
Bahrain	1,274.10	4.4%	-0.7%	-0.7%	\$ 20.03	7.5 x
Oman	5,213.49	-9.8%	1.5%	1.5%	\$ 14.77	12.1 x

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