

Q3 earnings season unfolds with banks reporting

IR CALENDAR	DATE
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 Saudi market (-5.1%) fell sharply, led by banking and material stocks, despite strong earnings in the retail sector. Qatar (+2.6%) rebounded after the heavy sell-off over the previous weeks. Better-than-expected earnings from QNB also supported the rise. Abu Dhabi (+2.5%) and Dubai (+1.9%) gained, while Oman (-1.6%) and Kuwait (-0.5%) closed lower. The Dow (+0.4%) and the S&P500 (+0.2%) continued their upward trajectory, marking the fifth consecutive week of gains. Nasdaq hit a new record high. The gains were supported by upbeat earnings and strong economic data. In Europe, the FTSE's (+0.2%) gains were limited by a stronger pound. The Stoxx 600 index (+0.5%) rose for the fifth straight week, partially supported by mining stocks on the back of strong import data from China. In Asia, Japan's Nikkei index surged above the 21,000 level for the first time since 1996.

ASSET CLASS MONITOR	WTD ↓	YTD
Oil (Brent)	2.79%	0.62%
Gold	2.13%	13.62%
MSCI EM	2.07%	30.58%
US Treasury Yields	1.87%	113.73%
MSCI World	0.86%	17.36%
Aluminum	0.85%	26.27%
FTSE 100	0.17%	5.50%
S&P 500	0.15%	14.04%
MSCI GCC	-1.93%	-0.54%

BRENT SPOT PRICE



COMMODITIES	WTD ↓	YTD
Natural Gas	4.79%	-19.44%
Oil (WTI)	4.38%	-4.23%
Oil (Brent)	2.79%	0.62%
Gold	2.13%	13.62%

The week ahead

Regional markets

Earnings season will pick up steam as a number of companies are expected to announce results, which will be the main driver of regional markets this week. We expect to see Q3 results reported in UAE (Damac + banks), KSA (banks), QAT (banks), among others. Emaar Properties' shareholders are scheduled to meet today to approve the conversion of Emaar Development LLC in to a PJSC to be listed on Dubai Financial Market through an offer of up to 30% of its shares to the public.

Global markets

The week starts with Chinese inflation data along with Eurozone trade balance data on Monday. Eurozone and UK's inflation figures will be released on Tuesday, along with US industrial production data. On Wednesday, Chinese president will deliver the speech at the 19th National Congress of the Communist Party of China, and could set the party's goals for the next five years. On Thursday, EU leaders will commence a two-day meet with Brexit likely to be the main topic of discussion. US jobless data and UK retail sales will be published the same day along with Chinese GDP and Industrial activity data.

You may be asked about

On Friday evening, POTUS refused to certify that Iran was in compliance of the nuclear deal. The US Congress will now have to decide whether to re-impose nuclear sanctions on Iran. The President called for new international sanctions on Iran and vowed to scrap the nuclear deal unless Congress and US allies find a way to make it even harder for Tehran to develop nuclear weapons and long-range ballistic missiles. The move was criticized by EU foreign policy chief Federica Mogherini, for undermining the deal.

Note to management

Edelman, with the support of IPREO, published its first Trust Barometer supplement on the institutional investment community. Here are a few eye-opening facts:

1. 87% must trust a company's management before making or recommending an investment
2. 93% say that keeping investors consistently well-informed impacts trust
3. 94% agree that trustworthy companies deserve a larger premium
4. 86% agree companies that focus on short-term results do not benefit investment strategy
5. 99% say they trust companies that have a clear strategy more than those that do not
6. Only 28% of institutional investors trust government or media

Read on by clicking the links in 'Food for thought' below.

REGIONAL CALENDAR

15.10.2017	Abu Dhabi Non-oil Foreign Trade	KSA Average Price of Goods & Services
16.10.2017	KSA Merchandise Exports-Imports	-
17.10.2017	KSA Cost of Living Index	-
18.10.2017	Abu Dhabi Consumer Inflation	KSA Wholesale Price Index
19.10.2017	KSA Weekly Money Supply	-

GLOBAL CALENDAR

16.10.2017	China Consumer Inflation	Eurozone Trade Balance
17.10.2017	UK Consumer Inflation	US Industrial Production
18.10.2017	EU Extraordinary Economic Summit	UK Unemployment Rate
19.10.2017	China Q3 GDP	China Retail Sales
20.10.2017	US Oil Rig Count	-

Food for thought

IR NEWS & VIEWS

IPREO	Edelman Trust Barometer – IR and Building Trust (executive summary)	Link
Edelman	2017 Trust Barometer Special Report: Institutional Investors (slide show)	Link
IR Magazine	Would you go on the road with a broker that doesn't cover your company?	Link
P&I	Ashmore Group records 11% jump in AUM in the quarter	Link
Bloomberg	Saudis Consider Delaying Foreign Part of Aramco IPO	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.27	+9	+48
UK	1.37	+14	+27
Germany	0.40	-1	+35
France	0.81	+12	+48
Italy	2.07	+2	+70
Switzerland	-0.10	+4	+42
Japan	0.05	+2	+12
Hong Kong	1.58	+22	+67
India	6.74	+15	-2

EARNINGS CALENDAR*	COUNTRY	DATE
Masraf Al Rayan	Qatar	16 OCT
Mashreqbank	UAE	16 OCT
Al Rajhi Bank	KSA	17 OCT
Commercial Bank	Qatar	17 OCT
Damac Properties	UAE	18 OCT
Commercial Bank of Dubai	UAE	18 OCT

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

RESULT ANNOUNCED	PROFIT (mn)	Y-O-Y%
Jarir Marketing Co.	SAR 246.5	+13.1%
Qatar National Bank	QAR 3,600	+5.6%
Dubai Islamic Bank	AED 1,110	+26%
United Electronics	SAR 26.1	+6.2%

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

China	Releases Q3 2017 GDP numbers
Fed Chairwoman	Delivers a speech in Washington
Morgan Stanley	Releases quarterly results
ECB President	Delivers a speech in Frankfurt
Unilever	Releases quarterly results
NAFTA negotiations	Commencement of the fourth round of NAFTA negotiations
Goldman Sachs	Releases quarterly results
US	Releases housing reports
Chinese President	Delivers an opening speech at the 19 th Communist Party Congress

MOST READ REGIONAL SECTOR HEADLINES

Banks	Qatar National Bank won't sell stake in UAE's Commercial Bank Intl.
Materials	Saudi Arabia issues 2,000 mining licenses worth \$66bn
Energy	OPEC compliance with output cuts rises to 97% in September
Financials	Bahrain Wealth Fund, Arcapita, to buy 90% of NAS United Healthcare
Healthcare	Aster DM Healthcare signs \$295m loan with eight lenders
Consumer Discretionary	Jarir third-quarter profit meets estimates; cites higher sales
Cement	Arabian Cement's Rabigh factory operations to start in Q3 2018
Retail	Almarai Company approves a bonus issue of 25%
Transportation	Qatar Airways Cargo expands fleet to 22 freighters
Telecom	Omantel is said to seek \$1.5 Billion facility to fund Zain stake

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Saudi Aramco denies shelving plans for IPO
Qatar Int. Islamic Bank	Qatar Intl Islamic Bank sets up \$2 Billion sukuk program
Qatar National Bank	QNB is said to plan raising \$3 bn in loans to refinance an existing facility
Emirates	Qantas, Emirates apply to extend partnership to 2023
Bank Muscat	Bank Muscat 9-Month profit drops 4.9% as impairments increase
Banque Saudi Fransi	SAMA to impose appropriate regulatory measures on Saudi Fransi
Dubai Islamic Bank	Islamic finance lifts Dubai Islamic Bank's Q3 profit
Qatar Ind. Manuf. Co.	QIMC acquires United Development Co's stake in Gulf Formaldehyde
Zain	Zain Kuwait inks \$165 mln tower deal with IHS
STC	STC signed contracts worth SAR 5-6bn during GITEX Technology Week

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	6,987.76	-3.1%	-4.1%	-4.1%	\$ 448.20	17.1 x
ADX	4,525.88	-0.5%	2.9%	2.9%	\$ 117.90	16.7 x
DFM	3,660.27	3.7%	2.7%	2.7%	\$ 84.99	23.7 x
Nasdaq Dubai	3,524.16	7.0%	2.9%	2.9%	n/a	n/a
Qatar	8,342.09	-20.1%	0.4%	0.4%	\$ 94.76	13.6 x
Bahrain	1,274.75	4.4%	-0.7%	-0.7%	\$ 20.06	7.5 x
Oman	5,128.48	-11.3%	-0.2%	-0.2%	\$ 14.40	11.9 x

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