

Oil prices tank on COVID-19 and OPEC+ deal failure

In case you missed it...

All GCC markets ended lower last week on concerns over the economic fallout of COVID-19. Several GCC countries imposed new travel restrictions and many local and international events were cancelled as the region reported more cases of virus infections. Abu Dhabi (-5.3%) stood as the top loser. Kuwait and Dubai clocked identical losses (-5.0%, each) with Kuwait registering its largest ever intraday decline on 1 March. Bahrain (-2.6%) was followed by Saudi Arabia (-2.1%) as the Kingdom also posted its biggest intraday fall since January 2016 last Sunday. Qatar (-1.9%) was dragged down primarily by oil-related stocks. Oman (-0.6%) edged lower. The US markets managed to eke out gains after swaying wildly throughout the week. Dow Jones (+1.8%) rose the most, followed by S&P 500 (+0.6%) and Nasdaq Composite (+0.1%). The markets were supported by accommodative policy moves from the US Fed and other central banks globally as the IMF and World Bank unveiled financial aid worth billions of dollars. European indices, however, closed in the red; CAC40 (-3.2%), DAX (-2.9%), STOXX600 (-2.4%) and FTSE100 (-1.8%) all ended lower.

The Week Ahead

Regional markets

GCC markets are unlikely to get any respite from gloomy macro conditions this week. Amid the persisting worries related to COVID-19, markets should also experience further downward pressure as OPEC+ failed to agree on additional crude oil production cuts last week which sent oil prices plunging to multi-year lows. This casts a shadow on whether the current production cut will be extended after it expires at the end of March 2020. This week, several companies such as Mashreq Bank, Air Arabia, ENBD, Boubyan Bank, Nakilat will hold AGMs/EGMs to approve dividends, new debt programs, capital increase, etc.

Global markets

Analysts and investors expect another week of volatile markets considering continued waves of uncertainty about the spread of COVID-19. After the emergency rate cut by the US Fed it will be interesting to see the European Central Bank's next move. Market participants will also closely watch data related to Japan and Eurozone GDP, manufacturing production in the UK and core CPI of the US.

You may be asked about

The US Federal Reserve on 5 March resorted to its first emergency rate cut since the 2008 financial crisis and before its scheduled meeting on 17-18 March. The Fed slashed its benchmark interest rate by 50 bps to a range of 1%-1.25%, which was also the largest one-time reduction in rates since 2008. The move followed a pledge by G-7 leaders for cooperation and coordination in lessening the global social and economic impact from Coronavirus. Accordingly, the policy moves by major central banks like the ECB, the BoJ and the BoE will be closely monitored in their upcoming meetings on 10, 18 and 26 March, respectively.

Note to management

In the maelstrom caused by Coronavirus, IR teams can feel isolated and redundant. What is the point of investor relations when market cap is being driven one way by global pandemic fears and another by the prospect of the return of central bank Quantitative Easing? While understandable, this professional paranoia is misplaced. At times of uncertainty, strategic investor relations is more valuable than ever. We look at two companies that have taken divergent approaches to their messages to investors this week. Read more [HERE](#).

EARNINGS CALENDAR

	Market	Est/ Conf	Date
Qatar Oman	Qatar	C	08 Mar
Network International	UAE	C	09 Mar
Qatar First Bank	Qatar	C	10 Mar
DP World	UAE	C	11 Mar

BRENT FUTURES PRICE



Q4 RESULTS

	PROFIT (mn)	Y-O-Y%
Saudi Ground Serv. Co.*	SAR423.4	+14.9%
Dallah Healthcare Co.*	SAR146.9	+3.6%
Saudi Industrial Serv. Co.*	SAR50.9	+9.0%
WDAM	QAR15.0	-47.8%
MCCS	QAR121.6	-34.5%
Al Ahli Bank*	KWD28.7	-32.0%
NSCSA*	SAR620.7	+29.0%
Saudi Cement Co.*	SAR451.4	+12.7%

*Annual Results

ASSET CLASS MONITOR

	WTD ↓	YTD
Gold	5.56%	10.32%
Aluminium	1.44%	-6.28%
MSCI EM	0.65%	-9.20%
S&P 500	0.61%	-8.00%
MSCI World	0.41%	-8.91%
FTSE 100	-1.79%	-14.32%
MSCI GCC	-2.76%	-11.36%
Oil	-10.39%	-31.41%
US Treasury	-64.57%	-70.97%

REGIONAL CALENDAR

10.03.2020 KSA Industrial Production Survey -

GLOBAL CALENDAR

09.03.2020	Germany Trade Balance	Japan Eco Watchers Survey
10.03.2020	China Consumer Inflation	Eurozone GDP
11.03.2020	US Consumer Inflation	UK Industrial Production
12.03.2020	Eurozone Monetary Policy	Eurozone Industrial Production
13.03.2020	US Michigan Consumer Sentiment	UK FPC Meeting Minutes

Food for thought

IR & BEYOND

IR Magazine / Iridium	How global companies communicate Covid-19 with investors	Link
CFO magazine	Three Key Coronavirus-Related Strategic Risks to Consider	Link
IPE	FCA calls on listed companies to improve climate-related disclosures	Link
EVLI	A month in Saudi Arabia: Piercing the veil	Link
Khaleej Times	GCC investors lose over Dh257 billion in a day as stock markets plunge	Link

COMMODITIES	WTD ↓	YTD
Gold	5.56%	10.32%
Natural Gas	1.43%	-21.97%
Oil (WTI)	-7.77%	-32.39%
Oil (Brent)	-10.39%	-31.41%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.76	-41	-118
UK	0.23	-29	-72
Germany	-0.71	-25	-60
France	-0.35	-29	-75
Italy	1.07	-48	-181
Switzerland	-0.9	-26	-49
Japan	-0.15	-5	-5
Hong Kong	0.68	-	-44
India	6.18	9	-

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.

For more information contact:

Iridium Advisors DMCC
Pamela Chahine, Director
ir@iridium.ae
www.iridium.ae
+971 4 429 5864

GLOBAL AGENDA

UK	Chancellor of the Exchequer Rishi Sunak unveils the 2020 budget
OPEC	To release monthly oil market report
Hungary	PM Viktor Orban to speak on the economy in shadow of the coronavirus
Brazil	President Jair Bolsonaro to visit the U.S.
The ASEAN	Economic Minister's Retreat will be held in the Vietnam
Riksbank	Governor Stefan Ingves to speak in Lund
ECB	Policy makers to present new forecasts to assess the outlook
Indonesia	To release consumer confidence data
USDA	To report world agricultural supply and demand
Earnings announcements	Deutsche Post, Cloudera, Oracle, Adobe, Prudential, Adidas, Broadcom etc

MOST READ REGIONAL SECTOR HEADLINES

Healthcare	NMC Health hires Moelis for debt restructuring
Bank	Saudi Arabian banks raise investments in government bonds
Real Estate	Strategy&: US\$1t worth real estate megaprojects to change face of GCC
Oil & Gas	OPEC leaning towards larger oil cuts as virus hits prices, demand
Renewable Energy	Bahrain's Tamkeen launches new Solar Financing Scheme
Retail	UAE slashes price of several food and supermarket goods
Insurance	Wala Insurance completes merger with MetLife AIG ANB
Telecommunication	Omna's TRA warns telecom companies for misleading 'unlimited' offers
Airline	IATA: Middle East airlines lose \$100m due to Coronavirus
Energy	Al-Kaabi: Plan to raise LNG output progressing well

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Saudi Aramco sets March propane price at \$430 a ton
SABIC	Raises stake in Swiss chemicals maker Clariant
DIB	Postpones Sukuk amid coronavirus volatility
Emirates Group	Dubai's Emirates Group sees slowdown due to coronavirus
Vodafone Qatar	Connects Barwa Labour City with GigaNet
Raysut Cement	Raysut's subsidiary Pioneer signs Georgia mine production agreement
FAB	Launches new payment service for merchants
Mubadala	To weigh investment in troubled NMC
QATI	In process of establishing an IT services subsidiary in QFC
WDAM	Announces Al Shahaniya slaughterhouse project

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,467.5	-11.0%	-11.0%	-2.1%	\$2,245.8	20.9x
ADX	4,643.1	-8.5%	-8.5%	-5.3%	\$132.7	13.7x
DFM	2,460.5	-11.0%	-11.0%	-5.0%	\$72.6	8.9x
Nasdaq Dubai	2,852.1	-10.4%	-10.4%	-6.1%	NP	NP
Qatar	9,309.4	-10.7%	-10.7%	-1.9%	\$128.3	13.7x
Bahrain	1,617.8	0.5%	0.5%	-2.6%	\$25.3	11.5x
Oman	4,107.8	3.2%	3.2%	-0.6%	\$13.3	8.3x

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