

## Coronavirus, earnings and global sentiment guide markets

### In case you missed it...

GCC markets, excluding Oman (+1.2%), closed lower last week. Saudi Arabia and Qatar clocked identical losses (-2.3%, each). A slew of disappointing corporate earnings primarily weighed on Saudi, while Qatar was dragged down due to selling by local institutions. Abu Dhabi (-1.3%) was hurt by weakness in FAB and Etisalat. Kuwait and Dubai posted similar losses (-0.7%, each), with Dubai affected by decline in banking stocks. Bahrain (-0.1%) inched lower, after hitting a 52-week high mid-week. The US markets rebounded, following the previous week's sell-off over coronavirus-related concerns. Nasdaq Composite (+4.0%), S&P 500 (+3.2%) and Dow Jones (+3.0%) all hit new record closing highs on 6 February. The markets were heartened by healthy US economic reports, including much better than expected January jobs data, China promising tariff cuts on ~\$75 billion of US imports from 14 February and hopes related to coronavirus containment efforts. European markets too ended firmly in the green; DAX (+4.1%) gained the most, followed by CAC40 (+3.8%), STOXX600 (+3.3%) and FTSE100 (+2.5%).

### The Week Ahead

#### Regional markets

Investors in the region are expected to display mixed sentiment, following continued concerns over the spread of the coronavirus and its impact on emerging market economies. Regional markets, however, might take support from a statement last week by a Russian diplomat voicing support for more production cuts. Meanwhile, market activity will also be directed by corporate earnings releases. This week, BoD of companies such as DFM, Air Arabia, Damac Properties, Du, Bank of Sharjah, ADNOC, GFH, Investcorp, Alba, Industries Qatar and several others are scheduled to meet to discuss FY19 financial performance.

#### Global markets

This week economic data such as GDP numbers from the UK, Germany and Eurozone, as well as the US retail sales and consumer sentiments will be on investors' radar. Investors will also be keen to check for industrial production in the US, Eurozone, the UK and India. Moreover, market participants will look out for further triggers from the UK trade balance and manufacturing production.

#### You may be asked about

The GCC projects market is one of the most dynamic globally, as around 6,722 active projects worth more than \$3.1 trillion are either ongoing or planned in the region, MEED's 'GCC Construction Outlook 2019' report stated. The report highlighted that in addition to large scale developments linked to the region's economic diversification, such as Dubai's Expo 2020 and Saudi Arabia's Neom future city, other projects like Kuwait's Silk City, Oman's Duqm Port and Bahrain Bay are also significant. MEED's report suggested an optimistic future for contractors as it revealed that after a challenging 2018, project contracts worth \$22.4 billion were awarded in 1H19.

#### Note to management

The exits of Tidjane Thiam from Credit Suisse and Paras Shah from Citigroup have thrown conduct risk into the spotlight. The regulation of conduct in the financial sector is a grey area. But large global banks are taking it seriously enough to take decisive action to mitigate the risk. Does your firm consider conduct risk on its risk map? If you do, is your mitigation strategy adequate? If you don't, perhaps you should read more about the topic [HERE](#)

### EARNINGS CALENDAR

Market	Est/Conf	Date
Industries Qatar	C	10 Feb
Bank Albilad*	C	12 Feb
Banque Saudi Fransi	C	12 Feb
Salam International Invest.	C	13 Feb
Ooredoo Qatar	C	13 Feb

\*Earnings Call

### BRENT FUTURES PRICE



### Q4 RESULTS

	PROFIT (mn)	Y-O-Y%
Jarir Marketing Co.*	SAR984.7	+2.6%
International Hold Co.*	SAR507.4	NM
Ma'aden*	-SAR739.5	NM
NLCS	QAR11.3	+27.6%
Qassim Cement Co.*	SAR360.7	+198.6%
Zain Saudi Arabia*	SAR485.0	+46.1%
QATI	QAR166	-15%
QIGD	QAR33	+8%
TAQA	AED234.0	-41.2%
Dubai Investments*	AED657.6	+0.9%
Abu Dhabi Nat Hotels*	AED253.0	+4.9%
Abu Dhabi Aviation Co.*	AED301.2	+5.9%

\*Annual

### ASSET CLASS MONITOR

	WTD ↓	YTD
S&P 500	3.17%	3.00%
MSCI EM	2.76%	-2.07%
MSCI World	2.67%	1.47%
FTSE 100	2.48%	-1.00%
US Treasury	0.65%	0.65%
Aluminium	-0.94%	-5.92%
Gold	-1.18%	3.50%
MSCI GCC	-1.84%	-3.47%
Oil	-6.34%	-17.47%

### REGIONAL CALENDAR

13.02.2020	KSA Weekly Money Supply	-
15.02.2020	Abu Dhabi Non-oil Foreign Merchandise Trade	-

### GLOBAL CALENDAR

10.02.2020	China Consumer Inflation	Japan Eco Watchers Survey
11.02.2020	UK GDP	UK Manufacturing Production
12.02.2020	Eurozone Industrial Production	Japan Producer Price Index
13.02.2020	US Consumer Inflation	Germany Consumer Inflation
14.02.2020	Germany GDP	Eurozone GDP

### Food for thought

#### IR & BEYOND

Iridium	It's (Just) Not Cricket: Conduct at Citi and Credit Suisse	<a href="#">Link</a>
KPMG	Sustainable investing: fast-forwarding its evolution	<a href="#">Link</a>
P&I	ESG investing – the alpha is in the alternative data	<a href="#">Link</a>
Bloomberg Blog	Brexit gets worse for Wall Street with EU shaking up MiFID	<a href="#">Link</a>
IR Magazine	Hedge funds warm to sustainable investment	<a href="#">Link</a>

COMMODITIES	WTD ↓	YTD
Natural Gas	0.92%	-15.12%
Gold	-1.18%	3.50%
Oil (WTI)	-2.40%	-17.59%
Oil (Brent)	-6.34%	-17.47%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.58	-41	-118
UK	0.57	-29	-72
Germany	-0.39	-25	-60
France	-0.14	-29	-75
Italy	0.94	-48	-181
Switzerland	-0.73	-26	-49
Japan	-0.05	-5	-5
Hong Kong	1.3	-	-44
India	6.43	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.

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## GLOBAL AGENDA

<b>ECB</b>	President Christine Lagarde to speak at the European Parliament
<b>Fed Chair</b>	Jerome Powell to deliver his semiannual monetary policy report
<b>Indonesia</b>	President Joko Widodo to attend a Free Trade accord signing ceremony
<b>U.K.</b>	PM Boris Johnson is expected to reshuffle his senior ministers
<b>South Africa</b>	President Cyril Ramaphosa to deliver his state-of-the-nation address
<b>North Korea</b>	To send its first-ever delegation to Munich Security Conference
<b>Philadelphia Fed Pres.</b>	Patrick Harker to discuss the economic outlook
<b>Africa</b>	Leaders to gather in Ethiopia for their annual heads-of-state summit
<b>Norges Bank Governor</b>	Oystein Olsen to speak in Oslo
<b>Earnings announcements</b>	Alibaba, SoftBank, Barclays, RBS, Michelin, Nissan, Nestle etc

## MOST READ REGIONAL SECTOR HEADLINES

<b>Bank</b>	Saudi bank lending jumps on mortgages
<b>Airport</b>	Dubai airport sees first-ever annual drop in passenger traffic in 2019
<b>Healthcare</b>	KSA completes privatization of its first Govt-owned healthcare entity
<b>Oil &amp; Gas</b>	Kuwait and Saudi reportedly start work to resume oil output from Khafji
<b>Food</b>	Saudi Arabia's Supreme Foods plans IPO for 2Q2020
<b>Energy</b>	Abu Dhabi Power to take control of TAQA in asset swap
<b>Telecom</b>	Vodafone Egypt deal to foster Saudi STC's regional growth plans
<b>Industrial</b>	UAE's Emirates Global Aluminium secures \$600mn loan
<b>Textiles</b>	SV Pittie Sohar Textiles reports \$6.4mn net profit during Apr-Dec'19
<b>Cement</b>	Raysut Cement in discussions to acquire 75% share in LH Maldives

## MOST READ REGIONAL COMPANY HEADLINES

<b>SWCC</b>	KSA-based SWCC secures \$430mn bridge financing from local banks
<b>ADNOC</b>	Signs deal to develop new gas field with Dubai
<b>Etihad Airways</b>	Sells aircraft to investment firm KKR, Altavair in \$1bn deal
<b>EGA</b>	UAE-based EGA secures \$600mn loan
<b>DP World</b>	Handled ~71m TEU across its global portfolio of container terminals in 2019
<b>Tabreed</b>	Reportedly in talks to buy Emaar Properties' district cooling unit
<b>ENOC</b>	To open 22 new petrol stations this year
<b>QNB</b>	Raises \$1bn in 7-year bonds
<b>Maaden</b>	Board proposes non-distribution of dividends for 2019
<b>DIB</b>	To reportedly cut 500-plus Noor Bank jobs

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,053.1	-4.0%	-4.0%	-2.3%	\$2,309.5	21.8x
ADX	5,087.2	0.2%	0.2%	-1.3%	\$143.5	15.6x
DFM	2,769.6	0.2%	0.2%	-0.7%	\$80.4	12.9x
Nasdaq Dubai	3,190.3	0.2%	0.2%	-1.5%	NP	NP
Qatar	10,204.6	-2.1%	-2.1%	-2.3%	\$140.3	14.7x
Bahrain	1,656.0	2.8%	2.8%	-0.1%	\$25.9	13.2x
Oman	4,128.9	3.7%	3.7%	1.2%	\$13.4	7.8x

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