

COVID-19 related developments to drive markets

In case you missed it...

GCC markets were battered as major indices touched multi-year lows amid the sell-off on COVID-19 and crude oil price related concerns. Kuwait (-17.9%) declined the most after plunging 20% during the first two trading days of last week. Dubai (-17.4%) and Abu Dhabi (-15.5%) hit their lowest in ~7.5 years and over 4 years, respectively, on 12 March. Saudi Arabia (-14.9%) touched its lowest since November 2017 earlier last week as shares of Saudi Aramco closed below its IPO price, hurt by the threat of crude oil oversupply. Qatar (-11.6%) was dragged down by selling from foreign institutions. Bahrain (-11.2%) and Oman (-9.1%) also clocked sharp losses. The US markets ended deep in the red as the US Government declared a national emergency to combat the COVID-19 pandemic. Dow Jones (-10.4%) and S&P 500 (-8.8%) suffered their worst day on 12 March since the "Black Monday" crash of 19 October 1987. Nasdaq Composite slid 8.2%. European indices also registered huge losses as DAX (-20.0%), CAC40 (-19.9%), STOXX600 (-18.4%) and FTSE100 (-17.0%) all slumped.

The Week Ahead

Regional markets

Despite stimulus packages announced by some GCC governments, regional markets are likely to continue with downbeat sentiments. Amid the weakness in global markets as the governments' measures to control COVID-19 spread is expected to exert downward pressure on short-term economic activity and long-term recession fears, there simply is no silver lining on the horizon. Prospects for crude oil prices also appear gloomy with both Saudi and the UAE promising higher outputs. The US Fed meeting scheduled this week will also be in focus as a further rate cut would have a negative effect on regional banks.

Global markets

Analysts and investors will remain cautious and the spread of COVID-19 will be the single biggest factor to dictate the direction of global markets. After an emergency rate cut by 50bps, many economists and market participants are expecting the Fed to lower interest rates further. Moreover, stockholders will monitor how China reports industrial production and retail sale data along with the US retail sales and economic sentiments in Germany.

You may be asked about

Saudi Arabia and the UAE announced plans to raise oil production capacity following the collapse on March 6 of the OPEC+ crude oil production cut deal. Saudi Aramco said it plans to increase output capacity by 1 million barrels per day (bpd) to 13 million bpd. The UAE's ADNOC also stated it will boost crude oil supply to over 4 million bpd in April 2020 and expedite plans to raise its capacity to 5 million bpd, which it earlier aimed to achieve by 2030. Notably, last week the IEA said it expects oil demand to contract in 2020 for the first time since 2009. OPEC also slashed its 2020 global oil demand growth forecast by 920,000 bpd to 60,000 bpd.

Note to management

Disaster recovery plans can sometimes be neglected. Covid-19 has changed all that. Disaster is a real possibility for almost all businesses, whether from supply chain disruption, employee absences, revenue shortfalls or consumer panic. All organisations and leaders now face the very real prospect of their disaster recovery plans being severely tested. Read our insights [HERE](#)

REGIONAL CALENDAR

17.03.2020	Abu Dhabi Consumer Inflation	KSA Wholesale/Consumer Inflation
19.03.2020	KSA Wholesale and Retail Trade	-

GLOBAL CALENDAR

16.03.2020	China Industrial Production	China Retail Sales
17.03.2020	Germany Economic Sentiment	US Retail Sales
18.03.2020	Eurozone Consumer Inflation	Eurozone Trade Balance
19.03.2020	Japan Monetary Policy	Japan All Industry Activity Index
20.03.2020	China Interest Rate Decision	US Existing Home Sales

Food for thought

IR & BEYOND

Iridium	Crisis Governance - Companies Rush to Dust Off their Disaster Recovery Plans	Link
IR Magazine	Issuers explore virtual shareholder meetings amid Covid-19 uncertainty	Link
IHS Markit	Coronavirus Volatility - Special Report Part 2	Link
P&I	Asset owners, managers turn to technology to combat COVID-19	Link
ESG Clarity	Greenwash guide reveals ESG fund 'stars' and 'spinnners'	Link

EARNINGS CALENDAR

	Market	Est/ Conf	Date
Saudi Aramco	KSA	C	16 Mar
L'Azurde Co	KSA	C	19 Mar

BRENT FUTURES PRICE



Q4 RESULTS

	PROFIT (mn)	Y-O-Y%
Al Qudra Holding*	AED181.0	-11.0%
Yanbu Cement Co.*	SAR257.8	+182.8%
Mouwassat Medical Ser.*	SAR421.0	+16.9%
Reem Investments*	AED239.1	-42.6%
Alliance Insurance*	AED49.2	-3.9%
BRES	QAR699	-16%

*Annual Results

ASSET CLASS MONITOR

	WTD ↓	YTD
Aluminium	-0.59%	-6.84%
Gold	-8.60%	0.83%
S&P 500	-8.79%	-16.09%
MSCI EM	-11.94%	-20.05%
MSCI World	-12.39%	-20.19%
MSCI GCC	-15.07%	-24.72%
FTSE 100	-16.97%	-28.85%
Oil	-25.23%	-48.71%
US Treasury	-37.78%	-81.94%

COMMODITIES

	WTD ↓	YTD
Natural Gas	9.43%	-14.62%
Gold	-8.60%	0.83%
Oil (WTI)	-23.13%	-48.03%
Oil (Brent)	-25.23%	-48.71%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.96	-62	-167
UK	0.4	-22	-82
Germany	-0.55	-15	-63
France	0	17	-46
Italy	1.78	86	-72
Switzerland	-0.63	13	-24
Japan	-0.01	5	7
Hong Kong	0.63	-	-104
India	6.32	-8	-

GLOBAL AGENDA

US	Secretary of Agri. Sonny Purdue to speak at the U.S. Embassy in London
Eurozone	Finance ministers to meet to discuss plans to support the economy
Norway	Government to hold a three-day conference on the 2021 budget
Israel	Prime Minister Benjamin Netanyahu's corruption trial to begin
ECB	Governing Council member Olli Rehn to speak in Helsinki
Denmark	Central bank to publish its latest outlook and to hold a press conference
Federal Reserve	To announce its rate decision
Swiss government	To update its economic forecasts
CSIS	To host a conversation with Elliot Abrams
Earnings announcements	Tencent, BMW, Next, FedEx, Aramco, Enel, Trip.com etc

MOST READ REGIONAL SECTOR HEADLINES

Bank	Saudi banks' net foreign assets fall 51% YoY in January
Real Estate	Abu Dhabi's real estate transactions record AED58bn in 2019
Oil & Gas	Fitch: Oil price collapse will hurt Gulf states' finances
Healthcare	NMC Health identifies over \$2.7bn in undisclosed debt
Insurance	Moody's downgrades Al Madina Insurance to Ba2 with stable outlook
Food Processing	Qatari food sector companies ready for any challenge posed by COVID-19
Natural Gas	Total 75% of Dana Gas' production is natural gas at fixed prices
Hospitality	STR: UAE hotels occupancy, daily rates and earnings fall in February
Airline	Coronavirus: Kuwait Airlines suspends flights to 7 countries, including India
Port	Sohar Port & Freezone posts throughput of over 1m tones of cargo

MOST READ REGIONAL COMPANY HEADLINES

ACWA Power	Uzbekistan signs \$2bn of energy deals with Saudi Arabia's ACWA Power
ADNOC	ADNOC's Ruwais refinery shut down during March
Saudi Aramco	To hike April crude supply to 12.3mn bpd
QNB Group	Included in the FTSE4Good Index Series
Amanat	Dubai's Amanat drops talks to acquire VPS Healthcare
Saudi Chemical	Saudi Chemical Holding's subsidiary starts SAR1bn military products project
DP World	Slashes fees at Jafza
Qatar Petroleum	QP acquires Yara's 25% stake in QAFCO for US\$1bn
Etihad Airways	Pledges to increase female employees by 25% by 2025
Omantel	Inks MoU to empower youth in telecom and ICT sector

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	6,357.1	-24.2%	-24.2%	-16.7%	\$1,961.8	17.7x
ADX	3,922.2	-22.7%	-22.7%	-20.0%	\$113.3	11.6x
DFM	2,032.1	-26.5%	-26.5%	-21.5%	\$60.1	7.3x
Nasdaq Dubai	2,344.4	-26.4%	-26.4%	-22.8%	NP	NP
Qatar	8,230.4	-21.1%	-21.1%	-13.3%	\$113.0	12.1x
Bahrain	1,436.4	-10.8%	-10.8%	-13.5%	\$22.3	10.2x
Oman	3,733.7	-6.2%	-6.2%	-9.6%	\$12.1	7.6x

DISCLAIMER: The information provided in this newsletter is for information purposes only and should not be construed in any way as business, financial or investment advice nor as a recommendation to buy, sell, or hold any particular security. Iridium Advisors believes the information in this newsletter to be accurate, but does not verify its accuracy, timeliness, completeness for any particular purpose and/or non-infringement. Iridium Advisors does not bear any responsibility whatsoever to provide any updates, corrections or changes to the information in this document, nor will it accept liability for any damages or losses in connection with the use of this document.

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