

KSA likely to hold virtual G-20 meet on COVID-19

In case you missed it...

GCC markets ended mostly lower last week amid the persisting COVID-19 concerns, although some of them partially recovered later in the week as regional central banks launched various relief measures. Dubai (-10.5%) stood as the top loser, after it reached its lowest since January 2013 mid-week. Kuwait (-6.6%) preceded Abu Dhabi (-6.0%), which was partly dragged down by FAB, while Oman (-4.5%) followed. Bahrain (-1.9%) reported its first casualty from virus on 16 March. Saudi Arabia (-1.4%) recouped some of its losses as Aramco commented it is comfortable with \$30 per barrel oil price. Qatar (+4.2%) was lifted by QNB and QIB. A rout in the US markets continued as worries over the pandemic outweighed stimulus announced by the government and the Fed. Dow Jones (-17.3%) and S&P 500 (-15.0%) hit their lowest level since October 2016 and February 2017, respectively. Nasdaq Composite (-12.6%) also added to its losses. European indices slipped even as the ECB launched a €750 billion bond buying program. DAX and FTSE100 clocked identical losses (-3.3%) each, followed by STOXX600 (-2.0%) and CAC40 (-1.7%).

The Week Ahead

Regional markets

Regional markets are expected to witness heightened volatility again this week as investors will assess the potential adverse impact of COVID-19 and adequacy of numerous stimulus measures rolled out globally over the last few days. Moreover, although crude oil prices recovered slightly later last week after Brent hit ~\$20 per barrel on 18 March, its lowest level since 2002, significant downside risk for oil prices remain owing to potential damage to demand from COVID-19 and a supply glut. Investors, meanwhile, will look forward to a virtual G20 summit which Saudi Arabia is likely to hold this week to address the pandemic.

Global markets

Global markets were under pressure last week as panic over COVID-19 grew. Accordingly, markets are likely to remain subdued this week. Meanwhile, investors and traders will look upon economic data releases like the US PMI, new home sales, wholesale inventories, the economic survey in China and the UK retail sales to weigh the impact of COVID-19.

You may be asked about

The GCC nations have announced multi billion-dollar stimulus packages to combat the potential ill-effects of COVID-19 on their economies. The UAE's central bank rolled out an AED100 billion (\$27.2 billion) Targeted Economic Support Scheme and other measures. Abu Dhabi and Dubai also separately unveiled AED8 and AED1.5 billion relief plans, respectively. While Oman's central bank is gearing up to provide additional liquidity worth ~\$20.8 billion to banks, Qatar has announced \$20.5 billion financial incentives for the private sector. SAMA has revealed a ~\$13 billion economic stimulus package. Around \$11.4 billion stimulus has come up from Bahrain. Kuwait, while donating \$40 million to the WHO, has approved \$1.6 billion extra funding to tackle COVID-19 impact.

Note to management

If history teaches us anything, it is that downturns eventually become recoveries and that rising market cycles outlast downturns. From the depths of the Coronavirus storm, such optimism seems misplaced. But a golden opportunity may await contrarian investments by the Gulf in the sectors it is most familiar with: aviation, hospitality, tourism and hotels. Read our early thoughts on the subject [HERE](#).

REGIONAL CALENDAR

25.03.2020	KSA International Trade	-
26.03.2020	Abu Dhabi Construction cost Index	Abu Dhabi Trade Unit Value Index

GLOBAL CALENDAR

23.03.2020	US Chicago Fed National Activity Index	Eurozone Consumer Confidence
24.03.2020	Eurozone Markit PMI Composite	UK Markit Services PMI
25.03.2020	UK Consumer Inflation	UK Retail Price Index
26.03.2020	UK Interest Rate Decision	Eurozone Economic Bulletin
27.03.2020	UK BoE Quarterly Bulletin	US Personal Spending

Food for thought

IR & BEYOND

Al Arabiya / Iridium	A Silver Lining to the Coronavirus Cloud May Shine on the GCC	Link
PwC	COVID-19 CFO Pulse Survey	Link
Institutional Investor	S&P Warns Defaults Will Surge as World Enters Recession	Link
Bloomberg Blog	Explaining oil rout - 54% demand, 46% supply	Link
Blackrock	Engagement Priorities for 2020	Link

EARNINGS CALENDAR

Market	Est/Conf	Date
QGM D	Qatar	C 22 Mar

Q4 RESULTS

	PROFIT (mn)	Y-O-Y%
Saudi Aramco*~	SAR330.7	-20.6%
City Cement Co.*	SAR180.9	+61.1%
Jarir Marketing Co.*	SAR984.7	+2.6%
Arriyadh Dev. Co.*	SAR165.8	-18.7%
Sulaiman Alhabib*	SAR870.2	8.6%
EPCCO*	SAR181.0	158.6%

*Annual Results; ~ in billion

BRENT FUTURES PRICE



ASSET CLASS MONITOR

	WTD ↓	YTD
Aluminium	-0.59%	-6.84%
MSCI GCC	-1.21%	-25.63%
Gold	-2.04%	-1.23%
FTSE 100	-3.27%	-31.18%
MSCI EM	-9.87%	-27.94%
MSCI World	-11.96%	-29.74%
S&P 500	-14.98%	-28.66%
Oil	-20.30%	-59.12%
US Treasury	-82.14%	-96.77%

COMMODITIES

	WTD ↓	YTD
Gold	-2.04%	-1.23%
Natural Gas	-14.18%	-26.72%
Oil (Brent)	-20.30%	-59.12%
Oil (WTI)	-29.31%	-63.27%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.85	-62	-169
UK	0.55	-1	-50
Germany	-0.33	11	-37
France	0.09	31	-30
Italy	1.63	72	-83
Switzerland	-0.43	39	3
Japan	0.04	12	10
Hong Kong	1.06	-	-
India	6.24	-	-

GLOBAL AGENDA

US	Financial Stability Oversight Council to discuss market impact of COVID19
G-7	Foreign Ministers to attend a video teleconference
BoE	To announcement its interest rate policy
Banco de Mexico	Forecast to cut its key rate for a sixth straight meeting
Brazil	Central Bank to release meeting minutes
Latin America	Fitch to hold outlook conference call
European Union leaders	To hold a two-day summit meeting by video conference
UK Government	Will seek to rush emergency legislation for tackling coronavirus outbreak
US Inter. Trade Comm.	Scheduled to release its final decision in the second of two patent cases
Earnings announcements	Nike, Porsche, KB Home, Bank of China, PetroChina etc.

MOST READ REGIONAL SECTOR HEADLINES

Bank	CBUAE rolls out AED100bn stimulus to help banks
Cement	KSA-based Tabuk Cement inks major restructuring deal
Oil & Gas	Fitch: COVID19, oil plunge to pressure MEA sovereigns
Airline	UAE's Emirates, flydubai shut 16 more routes as COVID19 cases surge
Insurance	Oman Insurance weighs bid for Axa's Middle East unit
Real Estate	Qatar's real estate majors offer relief to customers over COVID19 stress
Shipping	Oman Shipping to merge with Oman Drydock
Hospitality	Sharjah's hotel occupancy rate reaches 66% in 2019
Power Generation	SEC to launch power generation subsidiary soon
Telecom	Omantel selects Ericsson to manage its nationwide multivendor networks

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Saudi Aramco likely to sustain higher April oil output in May
KNPC	Kuwait National Petroleum Company says work in its refineries continues
DIB	DIB's shareholders approves increase in foreign ownership limit
Aldar	AED100mn in programs to support residential communities, retail partners
Mubadala	Abu Dhabi's Mubadala sees buying opportunities amid plunging oil
BRES	Postpones all due rents of commercial units for a period of three months
Ma'aden	Saudi Arabia's Ma'aden names new CEO
Bank Muscat	Signs \$650mn loan with 20 banks
QEWS	Approves the distribution of 77.50% cash dividend
Tadmur Group	Set to export some of its world-class products to overseas market

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	6,267.6	-25.3%	-25.3%	-17.8%	\$1,977.7	17.4x
ADX	3,685.6	-27.4%	-27.4%	-24.8%	\$108.7	10.9x
DFM	1,819.2	-34.2%	-34.2%	-29.8%	\$53.8	6.6x
Nasdaq Dubai	2,136.3	-32.9%	-32.9%	-29.7%	NP	NP
Qatar	8,576.6	-17.7%	-17.7%	-9.6%	\$120.4	12.6x
Bahrain	1,408.6	-12.5%	-12.5%	-15.2%	\$21.9	10.1x
Oman	3,567.4	-10.4%	-10.4%	-13.6%	\$11.6	7.1x

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We advance the science and practice of investor relations to help organizations and leaders protect downside, close gaps and unlock future potential.

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