

## Norwegian fund decision to weigh on oil stocks

IR CALENDAR	DATE
QSE 8th Annual IR Conference, DOH	20 NOV
HSBC Saudi Arabia Forum, HK	27 NOV
UBS GEMs Conference, NY	28-30 NOV

### IN CASE YOU MISSED IT . . .

GCC markets were mixed last week. Abu Dhabi (-1.1%) underperformed its regional peers. Qatar (-0.8%) closed lower as the embargo by other GCC countries continued as well as the credit downgrade of Ezdan Holding by S&P by two notches to junk status. Saudi Arabian market was weak (-0.6%) as the anti-corruption drive widened. Oman (+1.0%) outperformed the region, followed by Kuwait (+0.8%), Dubai (+0.3) and Bahrain (+0.2%). US markets continued to witness some selling pressure, with the Dow (-0.4%) and the S&P500 (-0.1%) falling for the second straight week. On the other hand, the tech-heavy Nasdaq (+0.5%) was able to close higher. European markets were also down for the second consecutive week, Stoxx Europe 600 index (-1.3%) remained under pressure from disappointing corporate news, while the FTSE 100 index (-0.7%) was pushed lower by a stronger pound.

Q3 RESULTS	PROFIT (mn)	Y-O-Y%
Aldar Properties	AED 598	-20%
Emaar Properties	AED 1,510	+32%
Dar Al Arkan Real Estate	SAR 210	+86%

### BRENT SPOT PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
US Treasury Yields	4.88%	152.94%
Gold	1.36%	12.63%
MSCI EM	0.71%	31.80%
S&P 500	-0.13%	15.19%
MSCI World	-0.22%	17.76%
MSCI GCC	-0.46%	-2.72%
Aluminum	-0.60%	22.58%
FTSE 100	-0.70%	3.33%
Oil (Brent)	-1.26%	10.38%

### The week ahead

#### Regional markets

GCC markets will remain under pressure on continued geopolitical tensions and the Saudi anti-corruption crackdown. Oil prices jumped on Friday, which may provide support to regional markets, but expect volatility if more news are revealed. Tadawul may also get some help from recent news that Bank of America Merrill Lynch is bullish on the market despite the recent concerns. News articles suggest that the Saudi government is negotiating settlements with people detained on charges of corruption, which could see billions of dollars flowing into the state coffers.

#### Global markets

It will be a short-trading week in the US due to Thanksgiving holiday, and trading activity is likely to be subdued. Speeches by ECB President and Federal Reserve Chair on Monday and Tuesday respectively, will be at the centre of investor attention. The German Central Bank's monthly report and FOMC's meeting minutes are due on Monday and Wednesday, followed by ECB Monetary policy meeting accounts on Thursday. US jobless claims and industrial orders data will be released on Wednesday, followed by Eurozone PMI and UK 3 GDP figures on Thursday.

#### You may be asked about

Emaar Development completed the biggest IPO in the UAE in three years (AED 24.1 billion). The 20% stake float was priced at AED 6.03 (lower end of the revised range of AED 6.03-6.70), raising a total of AED 4.82bn. According to news sources, the IPO was oversubscribed at the revised price range. Norway's sovereign wealth fund has proposed selling-off its investments in oil & gas stocks to make the country's wealth less vulnerable to a permanent fall in oil and gas prices. The fund has about 6% invested in oil & gas stocks. Being the largest sovereign wealth fund in the world, the move is likely to result in negative sentiment for oil & gas stocks.

#### Note to management

The disclosure of the Saudi anti-corruption drive wiped US\$ 19 billion off GCC markets. Amid the speculation, sober observers are asking what the reality is. What we do know is this:

1. A series of arrests and detentions has been made by Royal Decree
2. The detainees are accused of corruption and financial crime
3. Asset freezes were placed on personal bank accounts (not corporate accounts) of detainees
4. The price of oil has risen, with Brent Crude steady above \$60/barrel
5. A government decree has been issued to affected companies to conduct business as usual
6. The move came shortly after the conclusion of the Public Investment Fund's conference in Riyadh, which attracted global financial leaders and ensured the world's media was still focused on the kingdom.

Of course, these developments are surprising, but are they unprecedented? We think not. Read more here: [Link](#)

#### REGIONAL CALENDAR

20.11.2017	Abu Dhabi Building Material Prices	-
21.11.2017	Abu Dhabi Energy and Water Statistics	KSA Cost of Living Index
22.11.2017	KSA Wholesale Price Index	-
23.11.2017	Abu Dhabi Agricultural PPI	KSA Weekly Money Supply

#### GLOBAL CALENDAR

21.11.2017	UK Inflation Report Hearings	US Chicago Fed National Activity Index
22.11.2017	US FOMC Minutes	ECB Non-Monetary Policy Meeting
23.11.2017	ECB Monetary Policy Meeting Accounts	Germany Q3 2017 GDP Data
24.11.2017	Germany IFO Business Climate	US Oil Rig Count

### Food for thought

#### IR & BEYOND

IR Magazine/ Iridium	Saudi Arabia's anti-graft disclosure: Much heat and little light	<a href="#">Link</a>
BCG	Ten best practices for delivering peer-beating performance	<a href="#">Link</a>
Bloomberg	Investment-research industry stuck in MiFID II limbo	<a href="#">Link</a>
Institutional Investor	Report: Active Managers Face a New Threat	<a href="#">Link</a>
IPE	Emerging markets: An outdated concept	<a href="#">Link</a>

Sunday, 19.11.2017

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.34	0	-1
UK	1.29	-2	-16
Germany	0.36	-4	+9
France	0.70	-10	-5
Italy	1.83	-20	-26
Switzerland	-0.18	-6	-1
Japan	0.02	-4	0
Hong Kong	1.63	+3	+39
India	7.05	+29	+62

COMMODITIES	WTD ↓	YTD
Gold	1.36%	12.63%
Oil (WTI)	-0.33%	5.27%
Oil (Brent)	-1.26%	10.38%
Natural Gas	-3.61%	-16.84%

## GLOBAL AGENDA

US	Releases FOMC minutes of the Oct. 31-Nov. 1 policy meeting
Fed Chair	Janet Yellen to deliver speech at New York University
UK Chancellor	Budget statement, presenting new economic forecasts and fiscal plans
Hewlett Packard	Releases quarterly results
US	Releases Durable Goods Orders data
ECB	Publishes the account of its Oct. 26 monetary policy meeting
Arab Banking Conference	Annual conference commences in Beirut
ECB President	Attends a hearing at the European Parliament in Brussels
Black Friday	Marks the traditional start of the U.S. holiday shopping season

## MOST READ REGIONAL SECTOR HEADLINES

Banks	Moody's: UAE banks' funding conditions improve, credit positive
Real Estate	Drake & Scull quarterly loss widens as Dubai firm restructures
Energy	Saudi Aramco CEO: No decision yet on the venue of international listing
Financials	SoftBank said to plan up to \$25 billion in Saudi investments
Food & Beverages	Americana posts KD 44 million profits
Materials	Advanced Petrochem signs pact to develop \$580 million project
Utilities	Saudi Electricity restarts Jeddah plant after short outage
Consumer Discretionary	Jarir says loss from fire at factory at SAR 14 million
Transportation	Emirates likely to order more Boeing 787 Dreamliners
Telecom	Ooredoo announces date to pay profits to Sukuk holders

## MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Saudi Aramco signs engineering and construction deals worth \$4.5bn
ADNOC	Adnoc JV to raise Upper Zakum output capacity to 1 mbpd by 2024
Omniyat	Omniyat signs AED 445 million facilities with UAE's AL Hilal Bank
Mubadala Investment	UAE's Mubadala to invest \$22.5mn in aerospace R&D
Ezdan Holding	Ezdan Holding Group's sukuk yields spike after S&P downgrade to junk
Duqm Refinery	Oman's Duqm Refinery to seek \$6bn bank funding
Waha Capital	Abu Dhabi's Waha Capital agrees to sell its stake in NPS Holdings
du	du signs MoU with ADGM Financial Services Regulatory Authority
Bahri	Bahri to sell part of its stake in Petredec Limited
SABIC	SABIC hikes December MEG ACP nomination by \$30/ton

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	6,913.46	-4.1%	-5.1%	-0.3%	\$ 445.50	16.3 x
ADX	4,327.58	-4.8%	-1.6%	-3.4%	\$ 111.89	15.5 x
DFM	3,460.21	-2.0%	-2.9%	-4.8%	\$ 80.15	21.9 x
Nasdaq Dubai	3,333.57	1.2%	-2.7%	-4.5%	n/a	n/a
Qatar	7,825.77	-25.0%	-5.9%	-4.2%	\$ 90.41	12.5 x
Bahrain	1,269.90	4.1%	-1.1%	-0.5%	\$ 19.98	7.0 x
Oman	5,105.67	-11.7%	-0.6%	1.9%	\$ 14.27	12.3 x

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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.

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