

Saudi issues anti-graft decrees, reshuffles cabinet

The week ahead

Regional markets

It remains to be seen how regional markets will react to Saudi Arabia's anti-graft decree and cabinet reshuffle, which may overshadow the fact that oil prices hit a 2-year high on rising probability of the extension of the OPEC supply cut agreement. Bahrain's market could see a lot of volatility after news that the country had asked its gulf allies for assistance to replenish its falling foreign currency reserves as it struggles to maintain its US Dollar currency peg. Key earnings releases to watch out for during the week are Emaar Properties, DXB Entertainment, Aldar Properties in the UAE; Savola, Alhokair and G.I. Shaker in Saudi Arabia.

Global markets

Investors will closely follow the US President's Asia-tour. The US approaches the end of earnings season with the leading department stores (Macy's, Nordstrom and Kohl), scheduled to release results. The week will start with Fed Chair Yellen and BoJ Governor Kuroda's respective speeches on Monday, along with European PMI data. On Tuesday, the Australian central bank will announce its monetary policy decision, followed by release of Eurozone retail sales data and US consumer credit figures. China's trade balance figures will be published on Wednesday. ECB's economic bulletin report and US jobless claims data would be published on Thursday. The week ends with UK industrial and manufacturing activity data on Friday.

You may be asked about

According to news reports, the Saudi King removed one of the royal family's princes from his ministerial role and arrested other royals which clears any remaining obstacles to his son's potential ascension to the throne. The BoE raised interest rates for the first time in a decade, by 25bp, and signaled another two 25bp rate hikes would be required over the next couple of years. President Trump has chosen Federal Reserve Governor Jerome Powell to lead the US Federal Reserve.

Note to management

JP Morgan published its 2018 LTCM assumptions, which provides a context for how structural factors are likely to drive asset returns over a 10-15-year investment horizon. Key takeaways:

1. 2018 trend GDP growth estimates of 1.5% in developed markets and 4.5% in emerging markets are unchanged from last year.
2. Interest rates are rising but the pace of normalization remains slow.
3. High global equity valuations and corporate margins reflect a mature economic cycle and are a headwind for returns.
4. Despite outperforming in 2017, emerging market equities remain attractive.
5. Potential for a tech-driven boost to productivity creates an upside risk to JPM's forecasts.

To read more about JP Morgan's assumptions, download the report by clicking this [Link](#)

IR CALENDAR	DATE
EFG Hermes Conference, LON	7-10 NOV
Merrill Lynch MENA Conference, DXB	15-16 NOV
QSE 8th Annual IR Conference, DOH	20 NOV
Iridium C-Suite Dinner, DXB	23 NOV
HSBC Saudi Arabia Forum, HK	27 NOV

IN CASE YOU MISSED IT . . .

Oman's performance (+1.6%) was the best in the GCC, led by weekly gains of Omantel and National Bank of Oman. Saudi Arabia (+0.5%), Bahrain (+0.4%) and Qatar (+0.2%) closed in positive territory. Kuwait (-1.1%) was the biggest underperformer followed by Dubai (-0.8%), while Abu Dhabi (-0.1%) was almost flat. The S&P 500, the Nasdaq and the Dow closing set another record high, supported by better-than-expected earnings from the tech sector and a slew of positive economic data. The Dow (0.4%) and the S&P 500 (+0.3%) registered their eighth consecutive weekly gains. European markets too were positive, as DAX (+2.0%) and CAC (+0.4%) closed higher, aided by a weaker Euro and strong economic data. The FTSE (+0.7%) was supported by a weaker pound, after the Bank of England's decision to raise interest rates.

Q3 RESULTS	PROFIT (mn)	Y-O-Y%
AD National Insurance	AED 50	+38.6%
du	AED 476	+4.2%
Dubai Investments	AED 350	+4.8%
Emirates REIT	AED 116	+178.8%
SABIC	SAR 5,790	+10.7%
STC	SAR 2,621	+18.2%

BRENT SPOT PRICE



ASSET CLASS MONITOR	WTD %	YTD %
US Treasury Yields	7.27%	131.37%
Oil (Brent)	2.70%	9.24%
Aluminum	2.12%	27.69%
MSCI EM	1.44%	30.61%
FTSE 100	0.74%	5.85%
MSCI World	0.64%	18.26%
MSCI GCC	0.28%	-1.38%
S&P 500	0.26%	15.59%
Gold	-0.27%	10.67%

REGIONAL CALENDAR

09.11.2017 KSA Weekly Money Supply -

GLOBAL CALENDAR

06.11.2017	Eurozone Composite PMI	-
07.11.2017	UK Retail Sales	UK Inflation Report Hearings
08.11.2017	China Trade Balance Data	ECB Non-monetary Policy Meeting
09.11.2017	China Consumer Inflation	US Initial Jobless Claims
10.11.2017	UK Production Data	US Oil Rig Count

Food for thought

IR NEWS & VIEWS

JP Morgan	2018 Long-term capital market assumptions	Link
Bloomberg	The secret to wooing investors? Communication	Link
Bloomberg	MiFID II may hurt small-cap companies, burden investor relations	Link
IR Magazine	Governance and IR seek value in teamwork	Link
CorpComms Magazine	UBER CEO is not the only boss to quit over ethics	Link

Sunday, 05.11.2017

EARNINGS CALENDAR*	Market	Est/ Conf	Date
Drake & Scull International	UAE	E	05 Nov
Depa	UAE	E	05 Nov
DXB Entertainments	UAE	E	05 Nov
Emaar Malls	UAE	E	06 Nov
Emaar Properties	UAE	E	08 Nov
Aldar Properties	UAE	E	08 Nov
MEDGULF	KSA	E	05 Nov
Red Sea International	KSA	E	05 Nov
Dar Al Arkan	KSA	E	05 Nov
Savola Group	KSA	E	05 Nov
Fawaz Abdulaziz Al Hokair	KSA	E	05 Nov
Budget	KSA	E	06 Nov
Amiantit	KSA	E	07 Nov
Saudi Airlines Catering	KSA	E	07 Nov
Shaker	KSA	E	07 Nov
Al Jouf Cement	KSA	E	08 Nov
Eastern Province Cement	KSA	E	08 Nov
Al Tayyar Travel Group	KSA	E	08 Nov

*Courtesy of Arqaam Capital Research

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GLOBAL AGENDA

ECB President	Mario Draghi to deliver a speech in Frankfurt
China	Releases trade balance data
OPEC	Releases its World Oil Outlook Report
Toyota	Releases quarterly results
Reserve Bank of Australia	Announces interest rate decision
US President	Delivers a speech at the Asia-Pacific Economic Cooperation CEO Summit
Siemens	Releases quarterly results
Election Day	U.S. New Jersey and Virginia will choose new governors
UN Climate Change	Delegates from 200 countries to talk about Paris Climate agreement

MOST READ REGIONAL SECTOR HEADLINES

Banks	GCC banks' ratings edge down on lower state support ability: Fitch
Real Estate	Saudi to present SAR 7bn of projects in King Abdullah Economic City
Energy	Top OPEC ministers back longer cuts but duration undecided
Financials	Abu Dhabi's Mubadala is said to review assets after IPIC merger
Healthcare	Saudi Hospital operator signs MoU to buy Medical Support Services
Materials	SABIC to expand in North America, China, Africa through M&A: CEO
REITs	Emirates REIT plans debut Sukuk of at least \$300mn this year
Consumer Staples	Tabuk Agricultural extends MoU to buy Astra Farms by additional month
Transportation	Saudi aviation authority to discuss high domestic airfare
Telecom	du sees growth potential in fixed line segment: CEO

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Aramco raises light crude pricing to Asia to three-year high
Qatar National Bank	QNB Finansbank approved to sell up to \$850m subordinated debt
Dana Gas	Dana Gas leaves maturing Sukuk unpaid but no default declared
Union Properties	Union Properties forms unit for investment in real estate
TASNEE	TASNEE signs syndicated Murabaha facility agreement for SR2.93bn
Jabal Omar	Jabal Omar hires Bank Albilad, GIB Capital for sukuk sale
GFH Financial	GFH plans to raise AUM to US\$ 10bn from US\$ 3bn in 5 years: CEO
Saudi Fransi	Saudi Fransi to redeem 1.9 Billion-Riyal Islamic Bond
Gulf Navigation	Gulf Navigation Holding plans \$250mn Sukuk by year-end after delay
ADNOC	Adnoc is said to offer 2018 term Naphtha at \$15-\$18 premiums

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	6,956.51	-3.5%	-4.5%	0.3%	\$ 445.50	16.5 x
ADX	4,465.15	-1.8%	1.5%	-0.3%	\$ 116.05	16.4 x
DFM	3,622.24	2.6%	1.6%	-0.4%	\$ 83.66	23.3 x
Nasdaq Dubai	3,488.10	5.9%	1.8%	-0.1%	n/a	n/a
Qatar	8,146.23	-21.9%	-2.0%	-0.2%	\$ 92.98	13.0 x
Bahrain	1,282.85	5.1%	0.0%	0.5%	\$ 20.19	7.1 x
Oman	5,040.19	-12.8%	-1.9%	0.6%	\$ 14.01	11.5 x

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