

Lower activity expected in markets due to Eid holidays

In case you missed it...

GCC markets ended mostly higher last week. Kuwait (+2.6%) jumped, driven by broad based buying of stocks, as the government set a roadmap to improve Kuwait's credit rating following the downgrade of its rating outlook by S&P. Abu Dhabi (+1.0%) was lifted by FAB and Etisalat. Bahrain (+0.5%) was closely followed by Saudi Arabia (+0.4%) with the Kingdom witnessing gains in banks and petrochemicals. Oman (+0.1%) inched up. Qatar (-0.0%) stood flat but Dubai (-0.1%) was dragged down by DIB and Emaar Properties. The US indices closed mostly higher as Nasdaq Composite (+3.7%) and S&P 500 (+1.7%) gained, with good earnings of tech heavyweights like Apple boosting Nasdaq. However, the Dow (-0.2%) slipped amid poor earnings in the energy sector. The Fed maintaining interest rates at the current level and extending emergency loan program till 2020-end also supported stocks, although lack of progress on new coronavirus aid package and disappointing economic reports limited the gains. European indices fell for another week, as DAX (-4.1%), FTSE100 (-3.7%), CAC40 (-3.5%) and STOXX600 (-3.0%) all ended firmly in the red.

The Week Ahead

Regional markets

GCC markets will experience relatively lower activity with exchanges being closed for Eid al-Adha holidays. While UAE markets will open at the earliest on 3 August, Oman will open last on 9 August. Earnings announcements will remain on investors' radar as markets reopen, with BoD meetings of several companies including Ascana, Aramex, Waha Capital, ADNIC, Investcorp, KHCB, Baladna due this week. Investors are also likely to keep a tab of global economic and geopolitical developments for trading cues.

Global markets

Market participants can experience another week of volatile markets considering escalation in the number of COVID-19 cases and sharp contraction of the US economy during 2Q 2020. With no signs of the virus easing, the Fed held rates steady and said the economic recovery is well below the pre-pandemic level, which can press sentiments further down. In the week ahead, investors will likely focus on interest rate decisions by the ECB and the US manufacturing PMI & nonfarm payrolls data.

You may be asked about

Saudi Arabia's fiscal deficit in 2Q 2020 reached \$29.1 billion from \$9 billion in 1Q 2020 as total revenues declined 49% YoY to \$36 billion, attributable to a 45% YoY dip in oil revenues. Expenditures in 2Q 2020 decreased at a relatively slower pace by 17% YoY to \$65 billion. In order to supplement the revenue shortfall, Saudi Arabia raised \$12 billion in international markets and around \$11 billion in the domestic market so far in 2020. Earlier in July, the Finance Minister had said that the Kingdom intends to raise international debt at least once more in 2020. The budget data also showed that the government utilized \$13 billion from its reserves in 2Q 2020 to finance the deficit.

Note to management

Whereas the professional investment industry has been quick to apply artificial intelligence, public companies have been much slower to adapt these concepts in a capital markets context. Last week, Iridium launched one of the first artificial intelligence, data science and advanced analytics platforms designed for listed companies. Iridium 'Quant Lens' helps boards and management teams run their own algorithms that can quantify valuation drivers and predict the impact of strategic, financial and communications decisions on share price. If you would like to know more, read our press release [HERE](#) or get in touch with us directly.

REGIONAL CALENDAR

03.08.2020 KSA Consumer Inflation -

GLOBAL CALENDAR

03.08.2020	China Manufacturing PMI	Germany Markit Manufacturing PMI
04.08.2020	Germany Trade Balance	Eurozone Producer Price Index
05.08.2020	Eurozone Retail Sales	US Non-Manufacturing PMI
06.08.2020	UK BoE Interest Rate Decision	Germany Factory Orders
07.08.2020	Japan Leading Economic Index	China Trade Balance

Food for thought

IR & BEYOND

Press Release	Iridium 'Quant Lens' brings AI to listed companies	Link
Institutional Investor	One of the Best Market Neutral Funds Is Run by a Robot	Link
IR Magazine	Europe proposes rollback of Mifid II research rules for smaller companies	Link
Bloomberg Blog	Gulf Financials Midyear Outlook	Link
ESG Clarity	Global sustainable fund assets leap to all-time high of above \$1trn	Link

EARNINGS CALENDAR	Market	Est/Conf	Date
WAHA	UAE	E	03 Aug
ALRAMZ	UAE	E	03 Aug
Dubai Insurance Co.	UAE	E	04 Aug
Jazeera Airways Co.	KWT	C	04 Aug
Baladna	QAT	C	05 Aug
Al Khaleej Takaful Group	QAT	C	05 Aug
ADNIC	UAE	E	05 Aug
Khaleeji Com. Bank	BAH	C	06 Aug
QIMC*	QAT	C	06 Aug
Industries Qatar*	QAT	C	06 Aug

*Earnings Call

Q2 RESULTS	PROFIT (mn)	Y-O-Y%
BJAZ	SAR165.8	+34.2
ALBI	SAR318.1	+4.3%
BSFR	SAR437	+45.6%
Ma'aden	-SAR434.1	NM
RIBL	SAR1,063	-29.1%
SIBC	SAR262.3	+7.6%
Sipchem	-SAR99.0	NM
NCB	SAR2,088	+22.3%
Tabreed	AED142.1	+19.1%
CBD	AED215.1	-40.4%
FAB	AED2,411.5	-25.1%
CBQK	QAR499.0	-1.9%
KCBK	QAR184.2	+4.8%

BRENT FUTURES PRICE



COMMODITIES	WTD ↓	YTD
Gold	3.88%	30.22%
Oil (Brent)	-0.09%	-34.39%
Natural Gas	-0.50%	-17.82%
Oil (WTI)	-2.47%	-34.05%

Sunday, 02.08.2020

ASSET CLASS MONITOR

	WTD ↓	YTD
Gold	3.88%	30.22%
Aluminium	1.87%	-6.34%
MSCI EM	1.74%	-3.21%
S&P 500	1.73%	1.25%
MSCI GCC	0.76%	-15.44%
MSCI World	0.73%	-2.36%
Oil	-0.09%	-34.39%
FTSE 100	-3.69%	-21.81%
US Treasury	-18.18%	-94.19%

SOVEREIGN YIELDS (10YR)

	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.53	-15	-137
UK	0.1	-11	-49
Germany	-0.53	-13	-7
France	-0.19	-13	-1
Italy	1.01	-26	-57
Switzerland	-0.59	-14	22
Japan	0.01	-3	15
Hong Kong	0.12	-	-
India	5.84	0	-57

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.

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GLOBAL AGENDA

Japan	BoJ Governor Haruhiko Kuroda to take part in web event
Germany	CDU party to meet in Mecklenburg-Western Pomerania
UK	BoE to release rate decision and monetary policy report
EU	May announce its Phase 1 ruling on Google's planned acquisition of Fitbit
EIA	To release crude oil inventory report
Poland	President Andrzej Duda to be officially sworn in for a second term
South Korea	Trade minister, Yoo Myung-hee, to hold a press conference
India	RBI to declare its rate decision
Fed	Chicago Fed President Charles Evans to hold a conference call
Earnings	HSBC, BP, Uber, Disney, Bayer, Roku, Toyota, MetLife, AXA, Siemens etc.

MOST READ REGIONAL SECTOR HEADLINES

Oil & Gas	Saudi oil revenues declines 40% in five months
Real Estate	Dubai records AED24.5bn property transactions in 2Q 2020
Banking	Coronavirus hits Gulf banks in 2Q2020 but full impact of bad loans looms
Airlines	Middle East carriers see air traffic decline further in June: IATA
Telecom	India-based Tata Communications secures telecom license in Saudi Arabia
Logistics	Dubai logistics firm Tristar seeks Dubai listing
Power	TAQA, Masdar consortium to build largest solar power plant in Abu Dhabi
Insurance	Some GCC insurers could face negative rating action in 2021: S&P
Healthcare	Oman's first N95 mask production begins
Cement	Saudi-listed Arabian Cement's board proposes 1H2020 dividend

MOST READ REGIONAL COMPANY HEADLINES

GEA	Signs MoU with Bank AlJazira for entertainment sector funding
Bank AlBilad	Taiba Investments secures ~SAR1.4bn financing from Bank AlBilad
STC	NEOM ties up with STC to develop world's leading cognitive cities
Ahli Bank	Inks deal to facilitate electronic bill payments
SABB	Offers SAR5bn local Sukuk
ADNOC	Considers stake sale in \$5bn of properties
Nakheel	In talks with banks to refinance debt
SACO	Declares SAR18mn payout for shareholders
DAT	Completes Noor Takaful acquisition
FAB	Oman picks FAB and Bank Muscat to arrange \$2bn loan

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,459.2	-11.1%	3.3%	3.3%	\$2,261.0	23.5x
ADX	4,304.7	-15.2%	0.4%	0.4%	\$171.7	15.0x
DFM	2,050.8	-25.8%	-0.7%	-0.7%	\$59.8	7.0x
Nasdaq Dubai	2,536.0	-20.4%	0.6%	0.6%	NP	NP
Qatar	9,368.2	-10.1%	4.1%	4.1%	\$134.1	15.3x
Bahrain	1,290.6	-19.8%	1.0%	1.0%	\$19.5	9.8x
Oman	3,568.1	-10.4%	1.5%	1.5%	\$11.4	10.2x
Kuwait	5,415.3	-22.4%	-3.4%	-3.4%	\$66.9	14.2x

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