

## Financial stocks, Aramco IPO announcement in focus

### In case you missed it...

Most regional markets closed lower last week. Saudi Arabia (-2.1%) was dragged down by some disappointing corporate results and decline in banks. Qatar (-1.8%) fell, partly owing to weakness in heavyweight Industries Qatar after it reported a 47% dip in 9M 2019 earnings; whereas a sell-off in property stocks affected Dubai (-1.3%). Kuwait (-1.2%) extended its prior week's loss. Abu Dhabi (-1.1%) followed as FAB slipped despite announcing branch expansion in Saudi. Bahrain (-0.2%) fell slightly. Oman (+0.3%), however, edged higher. The US markets advanced principally driven by an estimate-beating October jobs report, the US Fed meeting market expectations with a 25 bps rate cut and the majority of US corporates beating analyst estimates. Nasdaq Composite (+1.7%) gained the most, followed by the S&P 500 (+1.5%) and the Dow Jones (+1.4%). In Europe, three of the four main indices, i.e. CAC40 (+0.7%), DAX (+0.5%) and STOXX600 (+0.4%) edged up. FTSE100 (-0.3%) partially reversed its prior week's gain.

### The Week Ahead

#### Regional markets

Financial stocks this week are likely to observe heightened activity as the leading central banks in the GCC cut key interest rates by 25 bps following the lead of the Fed. The IPO announcement of Saudi Aramco is also anticipated following reports that the Saudi Crown Prince Muhammad bin Salman has approved an IPO valuation of \$1.6 trillion to \$1.8 trillion. Meanwhile, Dubai property stocks might witness pressure as a draft law proposes no rent hike of Dubai-based apartments for three years. In the UAE, BoD meetings of Amanat Holdings, Orient Insurance, ASCANA, TAQA and others will take place this week to discuss 9M financial performance.

#### Global markets

This week investors' focus will be on German economic data, the Bank of England's policy meeting and incremental trade updates. Campaign season for Britain's first December general election since 1923 starts next week. Moreover, the US durable goods and factory orders data will also be on the radar screen. Investors will also look for results from a host of renowned companies such as BMW, Uber, Toyota, Softbank, Qualcomm, Baidu, Siemens, Ryanair, Honda, Walt Disney, Occidental Petroleum and Adidas.

#### You may be asked about

GCC countries' economic growth is likely to slow down sharply to 0.7% in 2019 from 2.0% in 2018 owing to a dip in oil production due to OPEC+ agreements, the IMF stated last week in its 'October 2019 Regional Economic Outlook' (REO) report released last week. The REO, however, estimated that growth in 2020 will pick-up to 2.5% on the back of a rise in oil and gas production from Kuwait, Saudi Arabia, Qatar and Oman. Accordingly in 2020, oil GDP is projected to increase 1.9% while non-oil GDP is estimated to clock 2.8% growth, boosted by infrastructure spending related to Dubai Expo 2020 and 2022 FIFA World Cup in Qatar.

#### Note to management

Last week's Future Investment Initiative was attended by the who's who in global finance, and it closed with a total of 24 deals signed for a whopping \$20 billion, including a \$5bn agreement to develop the world's largest mixed-use entertainment and shopping complex. Read about why the FII has become such a magnet for the world's biggest financiers [HERE](#).

#### EVENTS CALENDAR

	DATE
MS Investor Conference, LON	4-5 NOV
GS CEEMEA Conference, LON	11-12 NOV
UBS GEMs Conference, NYC	3-5 DEC

#### EARNINGS CALENDAR

	Market	Est/ Conf	Date
Qatar Cinema (Call)	Qatar	C	03 NOV
Barwa Real Estate (call)	Qatar	C	04 NOV
GISS (Call)	Qatar	C	05 NOV
Qatar Insurance (Call)	Qatar	C	05 NOV
RAK Ceramics (Call)	UAE	C	06 NOV

#### Q3 RESULTS

	PROFIT (mn)	Y-O-Y%
Advanced Petrochemicals	SAR213.1	5.4%
Emirate Telecom	AED379.6	-13.3%
Al Rajhi Bank	SAR2,829.0	12.4%
Emirates Islamic Bank	AED264.2	54.0%
NBQ	AED110.9	13.1%
SAMBA	SAR1,226.0	-2.5%
SABIC	SAR834.1	-86.4%
Emirates Driving Comp.	AED33.9	24.4%
Masraf Al Rayan	QAR575.3	1.7%
NCB	SAR2,550.7	20.3%

#### BRENT FUTURES PRICE



#### COMMODITIES

	WTD ↓	YTD
Natural Gas	18.00%	-7.69%
Gold	0.65%	18.08%
Oil (Brent)	-0.53%	14.67%
Oil (WTI)	-0.81%	23.76%

#### REGIONAL CALENDAR

07.11.2019	KSA Weekly Money Supply	-
08.11.2019	KSA Industrial Production Survey	-

#### GLOBAL CALENDAR

04.11.2019	UK Markit Construction PMI	US Factory Orders
05.11.2019	US ISM Non-Manufacturing PMI	US Markit PMI Composite
06.11.2019	Eurozone Factory Orders	US Nonfarm Productivity
07.11.2019	UK Interest Rate Decision	US Initial Jobless Claims
08.11.2019	China Trade Balance	Japan Leading Economic Index

### Food for thought

#### IR & BEYOND

Al Arabiya News	FII showcases radical change in Saudi capital markets	<a href="#">Link</a>
Bloomberg Blog	Crude oil and natural gas downward-price risks vs. backwardation	<a href="#">Link</a>
ESG Clarity	World Bank launches Sovereign ESG Platform	<a href="#">Link</a>
CFA Institute	ESG Analysis: Is judgment more important than data?	<a href="#">Link</a>
IPE	Swiss central bank: sticking with negative rates 'in pension funds' interest'	<a href="#">Link</a>

ASSET CLASS MONITOR	WTD ↓	YTD
Aluminium	3.22%	-5.54%
S&P 500	1.47%	22.34%
MSCI World	1.31%	18.24%
MSCI EM	1.29%	8.64%
Gold	0.65%	18.08%
FTSE 100	-0.30%	8.54%
Oil	-0.53%	14.67%
MSCI GCC	-1.93%	-0.64%
US Treasury	-8.43%	-37.96%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.71	11	-150
UK	0.66	16	-83
Germany	-0.39	16	-81
France	-0.07	18	-85
Italy	0.99	9	-233
Switzerland	-0.58	20	-54
Japan	-0.19	-2	-31
Hong Kong	1.34	--	-91
India	6.43	-23	-134

## About Iridium

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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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## GLOBAL AGENDA

<b>U.S. Treasury Secretary</b>	To hold bilateral meetings with officials of Qatar government
<b>Fed President</b>	To speak at NYU Stern's Center for Global Economy and Business
<b>ECB President</b>	To speak in Berlin
<b>French President</b>	To visits China & likely to sign number of contracts between two countries
<b>Chinese President</b>	To speak on the opening day of the China International Import Expo
<b>central bank of Sweden</b>	To publish the minutes of its Oct. 23 rate-setting meeting
<b>OPEC</b>	To publish its World Oil outlook
<b>U.S.</b>	To publish U.S. trade balance, ISM non-manufacturing data
<b>U.K.</b>	Parliament to dissolve, leaving lawmakers 5 weeks for election campaigns
<b>Earning Releases</b>	SoftBank, Qualcomm, Roku, Adidas, Uber, Honda, BMW

## MOST READ REGIONAL SECTOR HEADLINES

<b>Banks</b>	Gulf central banks cut key rates following Fed
<b>Processed Foods</b>	Brazil's BRF to invest \$120mn in Saudi Arabia's chicken processing plant
<b>Energy</b>	Saudi Arabia is ready to do deeper oil cuts, OPEC Minister
<b>Healthcare</b>	Saudi Arabia's healthcare spending to reach \$160bn by 2030
<b>Financial</b>	Abu Dhabi's financial sector accounts for 14.3% of non-oil GDP
<b>Airline</b>	Qatar Airways, JAL among suitors for Malaysia Airlines
<b>Hotel</b>	Saudi hotels optimistic about gain from tourist visa program
<b>Logistics</b>	Dubai launches World Logistics Passport
<b>Engineering</b>	Galfar secures contract worth ~\$16mn
<b>Chemical</b>	GPCA: Gulf chemical industry's investment exceeds \$140bn in 2019

## MOST READ REGIONAL COMPANY HEADLINES

<b>Saudi Aramco</b>	Russia's RDIF unlikely to make huge investment in IPO
<b>Tethys Oil</b>	Buys 20% interest in Block 56 license onshore Oman
<b>BankDhofar</b>	Partners with Omani Fintech startup
<b>Emirates Islamic Bank</b>	Posts 54.0% YoY rise in net profit to AED264.2mn in 3Q2019
<b>Mubadala</b>	CEO says remains long on the US
<b>SAMBA</b>	Net profit falls 2.5% YoY to SAR1,226mn in 3Q2019
<b>Emirates NBD</b>	Posts 89.6% YoY rise in net profit to AED5,000.8mn in 3Q2019
<b>Shell Oman</b>	Sign strategic agreement with Al Turki Enterprises
<b>Bank of Sharjah</b>	Net profit falls 79.9% YoY to AED20.3mn in 3Q2019
<b>Omantel</b>	Signs MoU with Dell Technologies

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	7,744.1	-1.1%	-4.3%	-4.3%	\$490.6	19.8x
<b>ADX</b>	5,107.8	3.9%	1.0%	1.0%	\$140.7	15.3x
<b>DFM</b>	2,746.9	8.6%	-1.2%	-1.2%	\$75.6	10.9x
<b>Nasdaq Dubai</b>	3,160.7	2.8%	0.1%	0.1%	NP	NP
<b>Qatar</b>	10,189.0	-1.1%	-1.7%	-1.7%	\$139.8	14.8x
<b>Bahrain</b>	1,523.3	13.9%	0.4%	0.4%	\$23.8	11.4x
<b>Oman</b>	3,999.9	-7.5%	-0.4%	-0.4%	\$13.1	8.4x

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