

Geopolitical developments take center stage

IN CASE YOU MISSED IT . . .

Regional markets ended mixed last week. Oman (+2.2%) gained, after clocking six consecutive weeks of losses. Abu Dhabi (+0.8%) edged higher supported by gains in First Abu Dhabi Bank, followed by Bahrain (+0.6%). Dubai (+0.1%) inched up after reaching nearly 3-month high mid-week, before being pulled down by property and financial stocks. However, Qatar (-0.8%) was dragged by heavy sell-off from some local retail investors. Saudi Arabia (-0.6%) ended in red despite a late rally, as blue chip stocks like Al Rajhi and Saudi Basic Industries dragged the market. Kuwait (-0.4%) also fell. Most US markets ended in the green, buoyed by news that a trade agreement between the US and China is likely in about two weeks, partly offset by weak economic data and breakdown of denuclearization talks with North Korea. NASDAQ (+0.9%) advanced. S&P 500 (+0.4%) closed above 2,800 for the first time since November 8. Dow, however, ended flat. In Europe, DAX (+1.3%), CAC 40 (+0.9%) and STOXX 600 (+0.8%) rose, but FTSE 100 (-1.0%) declined amid continued uncertainties related to Brexit.

Q4 RESULTS	PROFIT (mn)	Y-O-Y%
Saudi Industrial Inv. Grp.	SAR 865.0	-13.8%
National Petchem. Co.	SAR 1,165.0	+31.2%
Bahrain National Holding	BHD 3,279.0	+56.5%
Saudi Cement Co.	SAR 400.5	-11.7%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
Aluminium	1.88%	1.28%
MSCI World	0.36%	10.10%
S&P 500	0.35%	10.69%
US Treasury	0.00%	0.00%
MSCI EM	0.00%	8.82%
MSCI GCC	-0.22%	6.67%
Gold	-0.78%	3.21%
FTSE 100	-1.29%	6.53%
Oil	-1.55%	24.67%

The week ahead

Regional markets

Upbeat comments from the top US officials about US-China trade talks progress and reports about possibility of a trade deal concluding around mid-March may cheer investors. Further, Brent crude prices remained firm above \$65/bbl despite weakening last week on rise in supplies and weak economic data from the US and China, which can be viewed positively by the markets. However, the volatile geopolitical situation involving India and Pakistan, releases of important economic data from major economies and developments related to Brexit may lead to jitters in the regional markets. Salam International Investment, Ras Al Khaimah Cement and Qatar General Insurance are scheduled to report FY2018 earnings this week.

Global markets

The week begins with the release of the UK's Construction PMI (Feb) on Monday. On Tuesday, a host of February PMI data for China, Eurozone & the US, and retail sales (Jan) numbers for the Eurozone will be published. Wednesday will witness Bank of Canada's interest rate decision and the US' new home sales & factory orders (both Jan). Release of 4Q18 nonfarm productivity for the US, 4Q18 GDP data for Eurozone and the European Central Bank's monetary policy decision constitute Thursday's major events. Friday's releases include key employment data for the US for February and China's trade balance (Feb).

You may be asked about

The ruler of Dubai, Vice President and Prime Minister of the UAE, Sheikh Mohammed bin Rashid al Maktoum, announced a plan last week for the construction of 34,000 housing units to be built across the country over the next 6 years for \$8.7bn (AED32bn). He also raised the salary ceiling of beneficiaries taking support under the Sheikh Zayed Housing Programme to AED15k from AED10k, while the maximum loan amount was raised to AED1.2mn from AED800k. Dr. Abdullah bin Mohammed Belhaif Al Nuaimi, Infrastructure Development minister and Chairman of Sheikh Zayed Housing Programme, said total cost of housing and infrastructure projects to be implemented until 2020 now exceeds AED30.7bn.

Note to management

The entry of Saudi Arabia and Kuwait to Emerging Market status this year has been welcomed all round. The countries themselves wear Emerging Market status as a badge of pride.

And yet the distinction between companies operating in emerging and developed markets is shrinking. Technology, globalisation and global regulation all play a role. But that leaves investors with a conundrum: how much influence on valuation should market category hold? Should a developed market automatically command a premium? Or is the distinction now too narrow to be useful?

Read our thoughts on this highly topical issue [HERE](#).

REGIONAL CALENDAR

04.03.2019	KSA Economic Indicator Survey	-
07.03.2019	KSA Weekly Money Supply Data	-

GLOBAL CALENDAR

04.03.2019	China Caixin Services PMI	EU Sentix Investor Confidence
05.03.2019	US ISM Non-manufacturing PMI	US New Home Sales
06.03.2019	US Factory Orders	US Fed's Beige Book
07.03.2019	EU Interest Rate Decision	EU GDP Data
08.03.2019	US Nonfarm Payrolls	US Average Hourly Earnings

Food for thought

IR & BEYOND

Iridium	Emerging vs Developed? What do Investors do when they look similar?	Link
FundsGlobal MENA	Tadawul forecasts \$20bn in passive fund inflows for 2020	Link
CFO Magazine	The Link Between Divestitures and Share-Price Malaise	Link
FundGlobal MENA	Islamic indices outperform conventional market	Link
Institutional Investor	Here's How Vulnerable Asset Managers Really Are	Link

EARNINGS CALENDAR	Market	Est/ Conf	Date
QGIRC	Qatar	C	04 Mar
Alliance Insurance	UAE	C	05 Mar
Al Khaleej Takaful	Qatar	C	05 Mar
AWTAD	UAE	C	06 Mar
Salam International Investment Limited	Qatar	C	06 Mar
RAK Cement	UAE	C	07 Mar

COMMODITIES	WTD ↓	YTD
Natural Gas	4.26%	-4.35%
Oil (WTI)	0.46%	26.01%
Gold	-0.78%	2.40%
Oil (Brent)	-1.55%	22.73%

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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

China	Annual National People's Congress to opens in Beijing
BoE	Governor to testify to the upper house of Parliament's economic affairs committee
OECD	To release interim economic outlook
ECB	President briefing and interest rate decision
US President	Czech Republic Prime Minister to meet US President Donald Trump
US	Nonfarm payrolls data to be released
US	US Chamber of Commerce Aviation Summit CEOs from industry to participate
European Parliament	Leaders to discuss selection of the first chief prosecutor with EU governments
Bank of Japan	Member Yutaka Harada speaks in Kofu, central Japan
Earning Releases	Target, Kohl's, Salesforce.com, Pigeon Corp., Dollar Tree and Brown-Forman

MOST READ REGIONAL SECTOR HEADLINES

Real Estate	UAE announces \$8.7bn housing plan for citizens
Energy	ADNOC and Korea's SK E&C to build world's largest oil storage facility
E-commerce	Dubai's SellAnyCar.com hires bank to advise on possible stake sale
Materials	Brambles to sell its plastic containers business to Abu Dhabi's wealth fund for \$2.51bn
Utility	QEWS, Kahramaa and Chubu Electric renew partnership
Logistics	Chinese firm is said to approach Agility for logistics tie-up
Petrochemical	Mubadala Petroleum signs production sharing contract with Thai partner
Consumer	Emaar Malls buys remaining 49% of website Namshi
Banking	First Abu Dhabi Bank will allow 40% foreign shareholding
Telecom	Ooredoo selects Ericsson for its 5G rollout in Qatar

MOST READ REGIONAL COMPANY HEADLINES

Alhokair Group	Mall business seeks \$1bn from IPO
Saudi Aramco	Agrees tie-up for \$10bn project in China
Ahli Bank	Gets nod to increase capital by 10% through bonus shares
ENOC	Partners with India's IOC to expand abroad
QIHK	\$500mn Sukuk oversubscribed with bids worth more than 6x the offering
Barwa Real Estate	Signs financing agreement worth QR800mn with a Qatari local bank
Aldar Investments	Acquires two properties in \$327mn deal
WOQOD	To build 30 more fuel in 2019
National Bank of Bahrain	Abandons plans to buy Islamic lender
Almarai	Set to raise \$500mn in Sukuk

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,492.7	8.5%	8.5%	-0.8%	\$542.7	18.6x
ADX	5,137.8	4.5%	4.5%	1.8%	\$138.9	14.4x
DFM	2,635.8	4.2%	4.2%	2.7%	\$71.0	8.4x
Nasdaq Dubai	3,235.7	5.2%	5.2%	2.2%	NP	NP
Qatar	10,111.6	-1.8%	-1.8%	-5.7%	\$133.1	14.1x
Bahrain	1,412.7	5.6%	5.6%	1.5%	\$21.6	9.1x
Oman	4,144.5	-4.1%	-4.1%	-0.5%	\$12.8	8.6x

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