

## Europe's growth outlook dims significantly

### The week ahead

#### Regional markets

The FY 2018 earnings releases should continue to drive regional market activity this week. However, investors are likely to turn cautious over global growth, particularly after the European Commission substantially lowered the Eurozone's 2019 growth forecast to 1.3% (vs. 1.9%, earlier) and as the White House economic advisor commented, notable differences remain between the US and China pertaining to a potential deal. However, reports from certain quarters that the US may not raise tariffs on Chinese imports even after the March 1 deadline and recent stability witnessed in Brent crude above the \$60 per barrel mark may offer some solace to investors. SHUAA Capital, Industries Qatar and Ooredoo are scheduled to report FY 2018 earnings this week.

#### Global markets

The week begins with the release of industrial production numbers (Dec) and 4Q18 GDP (prelim.) for the UK on Monday. On Tuesday, statistics on China's FDI (Jan) will precede a speech from the US Federal Reserve's Chairman. Data for the US and the UK's consumer inflation (Jan), in addition to Eurozone's industrial production (Dec) will be published on Wednesday. Thursday will witness the release of the Eurozone's 4Q18 GDP (prelim) and China's trade balance data (Jan). The release of China's consumer inflation figures (Jan) and the US' Michigan Consumer Sentiment Index will draw the week to a close on Friday.

#### You may be asked about

The head of Saudi Arabia's Debt Management Office, Fahad al-Saif, expressed the Kingdom's plans to issue international Islamic bonds (Sukuk) worth \$31bn (SAR118bn) in 2H19 to finance part of its fiscal deficit of around SAR131bn, the Maaal financial news website reported. This development comes on the back of Saudi Arabia already having raised \$7.5bn worth of international funds through conventional bonds this year. Al-Saif also said the Kingdom is considering launching dedicated savings Sukuk for the first time in the market to help citizens save for future needs. This also aligns with the government's Vision 2030 targets to boost domestic savings from 6% of total household income to 10%.

#### Note to management

The difference between feelings and facts is a concept that normally does not trouble IR teams. We deal in numbers, in truths, in hard, undeniable facts. But a survey from consultancy PwC of more than a thousand CEOs shows that, in the C Suite at least, mood and temperament can be fast changing and fickle.

This week, we ponder the conundrum faced by IR teams when their bosses behave in irrational ways, when their outlook swings from bullish to bearish. What counsel should the IR team be giving? How should these mood swings inform market updates?

In the uncertain world in which we live, sentiment will move – often dramatically. But that does not mean that the IR team should be swayed from telling the truth. Indeed, it makes it more important than ever.

Read on [HERE](#).

#### REGIONAL CALENDAR

14.02.2019	KSA Weekly Money Supply Data	KSA Household Sports Activity Survey
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#### GLOBAL CALENDAR

11.02.2019	Germany ZEW Survey	UK Industrial Production
12.02.2019	China FDI Data	US Monthly Budget Statement
13.02.2019	US Consumer Price Index	UK Consumer Price Index
14.02.2019	Germany GDP Data	EU GDP Data
15.02.2019	China Consumer Price Index	US Retail Sales

## Food for thought

#### IR & BEYOND

Iridium	How should IR teams deal with mood swings in the boardroom?	<a href="#">Link</a>
Gulf News	'Arab world yet to recover from global financial crisis'	<a href="#">Link</a>
IPE	Corporate reporting 'fails to provide meaningful impact information'	<a href="#">Link</a>
FundsGlobal MENA	Second equity index for Saudi market	<a href="#">Link</a>
Ipreeo	January IPO Recap	<a href="#">Link</a>

#### IN CASE YOU MISSED IT...

Bahrain (+1.9%) gained the most among regional peers. Abu Dhabi (+1.3%) reached its highest since October 2014 earlier in the week, boosted by First Abu Dhabi Bank, which proposed an increase in foreign ownership limit. Saudi Arabia (+0.6%) too posted gains, helped by banking stocks including Al Rajhi Bank and National Commercial Bank. Dubai (-1.0%) fell as property stocks continued to hurt with Emaar falling below AED 4. Qatar (-2.0%) ended firmly in the red, dragged down by financial stocks. Oman (-0.3%) and Kuwait (-0.7%) also edged lower. The US markets ended the week slightly up, as gains on the back of solid earnings were offset by concerns over US-China trade talks, slowing global economic growth and weaker earnings outlook for 2019. NASDAQ (+0.5%) and Dow (+0.2%) edged up to post their seventh straight weekly gains, even as S&P 500 ended flat. Europe ended largely lower amid weak economic data as DAX (-2.4%), CAC 40 (-1.1%) and STOXX 600 (-0.5%) were down. FTSE 100 (+0.7%) advanced, however.

Q4 RESULTS	PROFIT (mn)	Y-O-Y%
Agthia Group	AED 210.5	+2.1%
Aramex	AED 492.6	+13.1%
Investcorp	USD 58.0	+5.5%
AD National Hotels	AED 241.2	-2.7%
Saudi Electricity	-SAR 3,773.0	-
SABB	SAR 4,929	+24.6%

#### BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
FTSE 100	1.79%	5.43%
US Treasury Yields	0.41%	-1.22%
MSCI GCC	0.20%	7.63%
S&P 500	0.07%	7.95%
MSCI World	-0.16%	7.63%
Oil (Brent)	-0.42%	14.55%
MSCI EM	-0.76%	7.89%
Gold	-0.84%	2.15%
Aluminum	-0.96%	-0.35%

# Weekly IR Brief

Sunday, 10.02.2019

**iridium**  
Investor Relations

EARNINGS CALENDAR	Market	Est/ Conf	Date
Qatar Electricity & Water	Qatar	C	10 Feb
Industries Qatar	Qatar	C	11 Feb
National Cement	UAE	C	12 Feb
RAK Ceramics	UAE	C	12 Feb
Union National Bank	UAE	C	12 Feb
Dubai National Insurance & Reinsurance	UAE	C	13 Feb
Ooredoo	Qatar	C	13 Feb
Gulf International Services	Qatar	C	13 Feb
Shuaa Capital	UAE	C	14 Feb

COMMODITIES	WTD ↓	YTD
Oil (Brent)	-0.42%	14.55%
Gold	-0.84%	2.15%
Oil (WTI)	-2.14%	15.92%
Natural Gas	-9.35%	-13.23%

## 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.

We hope you enjoy IR Brief. We are always here to help you advance your IR activities. Please don't hesitate to let us know if we can be of assistance in any way.

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## GLOBAL AGENDA

<b>US</b>	Releases consumer inflation and retail sales data
<b>UK Parliament</b>	To debate and vote on alternatives to Prime Minister Theresa May's Brexit deal
<b>EU Finance Ministers</b>	Meet to discuss the European Commission's economic forecast
<b>OPEC</b>	Publishes monthly oil market report
<b>US Government</b>	May again shut down partially if no deal is reached on US-Mexico border wall
<b>China</b>	Releases trade balance and consumer inflation data
<b>UK</b>	Publishes GDP, consumer inflation and retail sales data
<b>ECB Vice President</b>	Luis de Guindos delivers a speech in Madrid
<b>Eurozone</b>	Releases GDP and employment change numbers
<b>Earning Releases</b>	Cisco, RBS, Nissan, Nestle, Coca-Cola, AIG, Credit Suisse, Airbus

## MOST READ REGIONAL SECTOR HEADLINES

<b>Banks</b>	Emirates NBD affirmed at 'A+' by Fitch; outlook 'Stable'
<b>Energy</b>	Qatar Petroleum and Exxon to go ahead with \$10bn Texas LNG project
<b>Industries</b>	National Marine Dredging gets \$1.4bn Abu Dhabi islands contract
<b>Materials</b>	Saudi Arabia will spend \$3.8bn to enhance mineral exploration
<b>Aviation</b>	Ethiad Airways approaches banks for over \$500mn for Boeing deliveries
<b>Utilities</b>	Dubai's Empower secures \$408mn syndicated loan
<b>Transport</b>	Milaha increases its stake in Nakilat to 36.3%
<b>E-commerce</b>	Dubai plans e-commerce zone with investment of \$545mn
<b>Technology</b>	Mubadala sells AMD stock, exercises warrants to keep 6.9%
<b>Consumer Retail</b>	Almarai buys 100% of Premier Foods Industries in Saudi Arabia

## MOST READ REGIONAL COMPANY HEADLINES

<b>Qatar Airways</b>	Over 320 aircraft to join Qatar Airways fleet in next few years
<b>QIHK</b>	To issue \$500mn Sukuk in 1Q2019
<b>Investcorp</b>	Signs transaction to acquire majority stake in Cambio Healthcare Systems
<b>Oman Aviation</b>	Seeks advisor for multi-billion financing
<b>Vodafone Qatar</b>	The Group Securities signs an agreement use Vodafone's business solutions
<b>Gulf Bank of Kuwait</b>	Gulf Bank shareholder aims to build \$880mn stake in lender
<b>The Commercial Bank</b>	To issue kangaroo bonds in 2019
<b>Aldrees</b>	Plans capital hike aimed to finance logistics expansions
<b>Sipchem</b>	PBT plant to shut down for scheduled maintenance
<b>Zain Saudi</b>	Conducts pilot to boost network capacity along with Nokia

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	8,612.8	10.0%	10.0%	0.6%	\$550.8	18.2x
<b>ADX</b>	5,112.2	4.0%	4.0%	1.3%	\$138.3	13.7x
<b>DFM</b>	2,542.7	0.5%	0.5%	-1.0%	\$68.7	7.8x
<b>Nasdaq Dubai</b>	3,147.2	2.4%	2.4%	-0.6%	NP	NP
<b>Qatar</b>	10,505.2	2.0%	2.0%	-2.0%	\$137.4	15.3x
<b>Bahrain</b>	1,418.1	6.0%	6.0%	1.9%	\$21.7	9.6x
<b>Oman</b>	4,152.0	-4.0%	-4.0%	-0.3%	\$12.9	8.4x

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