

IN CASE YOU MISSED IT . . .

Regional markets remained weak, in contemplation of the potential fallout of the US' unilateral decision to abandon the nuclear deal with Iran. Saudi Arabia (-2.4%) touched a three-week low. Abu Dhabi (-2.6%) fell as Abu Dhabi National Energy Co. declined despite posting higher quarterly earnings. Dubai (-2.2%) fell as Emaar Properties ended the week at a 27-month closing low. Qatar (-0.6%) edged down on weakness in QNB Group and Qatar Islamic Bank. Kuwait (+1.4%) and Bahrain (+0.6%) ended in the green, whereas Oman (-0.9%) declined. US markets were boosted by energy and technology stocks, with all key indices, S&P 500 (+2.4%), Dow (+2.3%), and NASDAQ (+2.7%) registering robust gains. Europe remained strong, with Stoxx 600 (+1.4%) clocking its longest stretch of weekly gains in three years; FTSE 100 (+2.1%) and DAX (+1.4%) also ended firmly in positive territory.

1Q 2018 RESULTS	PROFIT (mn)	Y-O-Y%
Al Rajhi Bank	SAR 2,383	+7.3%
Riyad Bank	SAR 1,137	+8.6%
Saudi British Bank	SAR 1,039	+0.3%
Saudi Arabian Mining Co.	SAR 638.2	+131.5%
Aramex	AED 103	+12.1%
Emaar Properties	AED 1,501.1	+8.4%
Jarir Marketing Co	SAR 219.1	-1.0%
Advanced Petrochemical	SAR 97.6	-21.6%
Bahrain Telecom Co.	BHD 17.4	+15.7%
Dubai Financial Market	AED 48.9	-52.2%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
US Treasury Yields	4.35%	38.13%
Oil (Brent)	3.01%	15.33%
MSCI EM	2.49%	0.52%
S&P 500	2.41%	2.02%
MSCI World	2.09%	1.25%
FTSE 100	2.08%	0.48%
Gold	0.37%	1.27%
MSCI GCC	-1.73%	6.76%
Aluminum	-1.84%	1.41%

Geopolitics to keep oil prices high and markets jittery

The week ahead

Regional markets

Regional markets are likely to remain under the pressure from rising geopolitical tensions. POTUS' strongly worded announcement of the US' pullout from the Iran nuclear deal, missile attacks on KSA by Yemen-based Houthi rebels, and Israel's surprise missile strikes on Syrian bases, have raised the risks in the region and kept oil prices elevated. Markets will closely track Iran's response to the US, which could have a significant impact on oil prices, though Saudi Arabia has assured it will step in to mitigate the impact. On the earnings side, results expected this week include - Aldar Properties and Drake & Scull International.

Global markets

The week starts with the release of China's FDI data for April on Monday. Tuesday will be event-heavy, with releases of China's retail sales and industrial production figures, followed by Germany and Eurozone Q1 GDP (prelim.) data, UK's Q1 average earnings and inflation report, and finally the US' April retail sales. On Wednesday, Eurozone's April inflation will be released, followed by data on US housing. Thursday will witness the release of Australia's employment data, US jobless claims numbers and Philadelphia Fed Survey. Friday will be dominated by data from Canada, including March retail sales and April inflation.

You may be asked about

Saudi Arabia recorded a sharp 63% y/y increase in non-oil revenue to SAR 52.3bn in 1Q 2018, partly attributable to introduction of value-added tax, selective taxation, and fees levied on expats. The non-oil revenue growth underlines the success of the Kingdom's medium-term fiscal plans and efforts to diversify the government's income sources. The Kingdom's 1Q 2018 budget deficit stood at SAR 34.3bn, nearly 18% of the budgeted 2018 deficit. Last week, IMF raised the Kingdom's 2018 break-even average oil price forecast to around USD 88/bbl (from USD 70/bbl, estimated in October 2017) on higher government spending.

Note to management

New research published by Oxford University law professor Luca Enriques and Yale University researcher Alessandro Romano has shown that a hidden network of influence drives the voting patterns of institutional investors. More than their research, governance models, or company statements, institutional investors are most influenced by their own network of peers, competitors, colleagues, and advisers when casting their votes.

For many GCC company board members, this research is a clarion call to change the way they interact with their shareowners. Boards and management are either in the network, or outside it: this is binary. And if management is outside the network, they may find themselves on the wrong side of shareholder votes at the next AGM or EGM.

Click here to learn more about what board members should know about network theory and discover how to guard against red faces in the boardroom: [Link](#)

REGIONAL CALENDAR

13.05.2018	KSA Quarterly Monetary & Banking Dev. Report	-
14.05.2018	-	-
15.05.2018	Abu Dhabi Consumer Inflation Data	Abu Dhabi Agricultural PPI
16.05.2018	KSA Umrah Survey 2017	-
17.05.2018	KSA Weekly Money Supply	-

GLOBAL CALENDAR

14.05.2018	-	-
15.05.2018	Eurozone Q1 2018 GDP (Preliminary)	US Retail Sales Data
16.05.2018	Eurozone Consumer Inflation Data	US Industrial Production
17.05.2018	Japan Consumer Inflation Data	Eurozone Trade Balance
18.05.2018	US Oil Rig Count	-

Food for thought

IR & BEYOND

Iridium	What Board Members Should Know About Network Theory	Link
The Economist	The \$100bn bet - The meaning of the Vision Fund	Link
IPE	How We Run Our Money: Louvre Endowment Fund	Link
Bloomberg	Here's What [WTI] Oil at \$70 Means for the World Economy	Link
IR Magazine	Good IR matters: Here's why	Link

EARNINGS CALENDAR*

	Market	Est/ Conf	Date
Drake & Scull International	UAE	E	14 May
Oman Telecommunications	Oman	E	14 May
Aldar Properties	UAE	C	15 May
Invest Bank	UAE	E	15 May

*Courtesy of Arqaam Capital Research

COMMODITIES

	WTD ↓	YTD
Natural Gas	3.50%	-4.98%
Oil (Brent)	3.01%	15.33%
Oil (WTI)	1.41%	17.01%
Gold	0.37%	1.27%

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

China	Plans to send Vice Premier Liu He to Washington for trade talks
Brexit Talks	EU Chief Brexit negotiator Barnier briefs European affairs ministers on the status of talks with the UK
IMF	Releases its regional economic outlook for Europe
German Chancellor	Delivers remarks to parliament on her foreign and domestic policy agenda
ECB Vice President	Constancio speaks at a policy and research conference in Frankfurt
US	Releases retail sales and industrial production data
MSCI	Releases its semi-annual emerging markets index review, which will include China-A shares for the first time
Earning Releases	Vodafone Group, Home Depot, Tencent, Walmart, Fujifilm, Cisco

MOST READ REGIONAL SECTOR HEADLINES

Banks	NCB, Riyad Bank and Samba planning US dollar denominated bonds
Financials	GFH Financial Group expects to list in Saudi Arabia by early 2019
Energy	OPEC to discuss possible shortfall in crude supplies -Iraqi oil minister
Consumer Staples	Savola Group buys 51% of Al Kabeer
Materials	SABIC is said to want to buy ONGC Petchem project stake
Consumer Discretionary	Fawaz Abdulaziz Alhokair secures \$1.9bn Islamic loan
Transportation	IATA: Middle East carriers' intl. passenger traffic rises 10.7% YoY in March
Telecom	Ooredoo launches Service Delivery and Assurance Lab
Real Estate	Aldar Properties to acquire assets from Abu Dhabi's Tourism Development & Investment Company
REIT	Jadwa REIT inks SAR200mn Islamic facility with Riyadh Bank

MOST READ REGIONAL COMPANY HEADLINES

Maaden	Maaden CEO says open to growth in base metals outside Saudi
Jabal Omar	Jabal Omar signs property deal with SHUAA Capital
Bahri	Bahri adds new VLCC to boost oil fleet strength
Sharjah Islamic Bank	Sharjah Islamic Bank lists \$500mn sukuk on Nasdaq Dubai
TASNEE	TASNEE subsidiary agrees to sell 90% stake to Tronox
STC	STC, Mobily fined SAR12mn for violations by CITC
ADNOC	ADNOC is said to get stake in Ratnagiri refinery in India
Dana Gas	Dana said to reach deal with main holders of \$700mn sukuk
Saudi Aramco	Saudi Aramco set to pay quarterly dividend
Jarir Marketing	Jarir plans 24% dividend for Q1 2018

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,914.3	9.5%	0.6%	-3.6%	\$510.3	17.8x
ADX	4,437.8	0.9%	-3.2%	-5.0%	\$122.1	11.6x
DFM	2,881.8	-14.5%	-7.3%	-6.0%	\$76.5	10.0x
Nasdaq Dubai	3,071.1	-6.6%	-5.2%	-5.6%	NA	NA
Qatar	8,749.7	2.7%	2.0%	-4.0%	\$101.7	13.0x
Bahrain	1,270.7	-4.6%	-3.6%	1.0%	\$19.8	8.3x
Oman	4,681.5	-8.2%	-1.9%	-1.0%	\$13.1	11.7x

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