

## 1Q19 corporate earnings likely to drive market activity

### IN CASE YOU MISSED IT . . .

Regional markets ended higher last week, with Bahrain (+1.4%) rising the most among peers. Kuwait and Oman registered identical gains, as both of them rose 1.1%. Qatar (+0.7%) was primarily lifted by banking stocks Qatar Islamic Bank and QNB Group. Dubai (+0.5%) gained for a fourth consecutive week, driven by Emaar Properties and Dubai Islamic Bank. Abu Dhabi (+0.4%) closely followed its neighboring Emirate, supported by Etisalat and Abu Dhabi Commercial Bank. Saudi Arabia (+0.3%) maintained its positive momentum, as it advanced for a fifth successive week. The US markets ended mostly in green, partly aided by the release of strong 1Q19 earnings by banks (particularly JPMorgan), Federal Reserve's March meeting minutes which showed it may not raise interest rates soon, and a positive trade data from China. Nasdaq (+0.6%) was followed by S&P 500 (+0.5%) which rose for a third straight week. Meanwhile, Dow ended flat. European indices largely edged lower, with STOXX 600 (-0.2%), DAX and FTSE 100 (-0.1%, each), falling slightly. However, CAC 40 (+0.5%) gained.

Q1 RESULTS	PROFIT (mn)	Y-O-Y%
Oman Cables	OMR 1.7	-17.8%
Alujain Corp.	SAR 104.8	-23.1%
QNB Group	QAR 3,600.0	+4.0%
Almarai Company	SAR 336.0	-2.6%

### BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
Oil	2.06%	31.65%
MSCI EM	0.63%	12.60%
MSCI GCC	0.46%	12.11%
S&P 500	0.31%	15.22%
MSCI World	0.27%	13.83%
FTSE 100	0.22%	10.25%
Gold	0.02%	0.78%
Aluminium	-1.31%	-1.18%
US Treasury	-2.41%	-0.82%

### The week ahead

#### Regional markets

Regional markets' focus this week will primarily shift to 1Q19 corporate earnings, which will also enable investors to gauge the overall health of the economy following a recovery in oil prices. Further, crude oil prices remained firm last week, despite potential risks to oil demand following the recent downgrade of the global economic growth forecast by the IMF, which should help to improve investors confidence. In addition, investors will continue to keep an eye on developments between the US and the European Union trade conflict, which may offset optimism over US-China trade talks. Masraf Al Rayan and Qatar Islamic Bank are scheduled to report 1Q19 earnings this week.

#### Global markets

The week begins with the release of ILO's UK unemployment rate (Feb), Germany's economic sentiment (Apr) by ZEW, US industrial production (Mar) and Japan's trade balance (Mar) numbers on Tuesday. Wednesday will witness China's 1Q19 GDP and March industrial production, Eurozone's and the UK's consumer inflation (Mar) and the US trade balance (Feb) stats. Release of Germany's and Eurozone's preliminary composite PMI (both Apr), the UK and the US retail sales (both Mar) and Japan's consumer inflation (Mar) constitute Thursday's major events. On Friday, US housing starts & building permits data (Mar) will be revealed, while most of the Europe will be closed on account of Good Friday holiday.

#### You may be asked about

The International Monetary Fund (IMF), in its Apr 2019 World Economic Outlook report, lowered 2019 global economic growth forecast to 3.3% (0.2 percentage point below its Jan 2019 estimates). A disorderly exit of the UK from the European Union and the US-China trade war were cited as key risks by the IMF, as it warned about further possible downgrade of its outlook. The Fund also slashed the MENA region's 2019 economic growth projection to 1.3% (vs. a 2.5% estimate made in Oct 2018). Among the GCC nations, the IMF retained Saudi Arabia's 2019 growth estimate of 1.8%, after lowering it in Jan 2019 from 2.4%. However, growth forecast for the UAE, Kuwait, Qatar and Oman were reduced.

#### Note to management

Another week, another record broken by Saudi Arabia in the capital markets. This time, it is the bond markets that have felt the weight of the Saudi economic juggernaut, with investors pledging over \$100 billion for a debt issuance from Saudi Aramco, and the issuer scaling up the offering to \$12 billion.

But while debt investors look for returns over a long period and want stability and certainty, Equity investors require a lot more disclosure and alignment with their investment criteria. And unlike bondholders, equity investors own the company, of course.

We look at the Aramco bond offering last week, ponder what it means for Aramco's planned IPO, and applaud Aramco's first step into Investor Relations.

Read our viewpoint [HERE](#)

#### REGIONAL CALENDAR

17.04.2019	UAE Consumer Price Index	-
18.04.2019	KSA Weekly Money Supply Data	-

#### GLOBAL CALENDAR

16.04.2019	UK ILO Unemployment Rate	UK Average Earnings ex-Bonus
17.04.2019	China GDP Data	UK Consumer Price Index
18.04.2019	Germany Markit Manufacturing PMI	EU Markit PMI Composite
19.04.2019	US Housing Starts	US Building Permits

### Food for thought

#### IR & BEYOND

Iridium	Aramco's Jumbo Bonds: Breaking New Ground in IR	<a href="#">Link</a>
Bloomberg Blog	How is your company preparing for a decarbonized world?	<a href="#">Link</a>
Citywire	S&P unveils new sustainable investment index	<a href="#">Link</a>
Ipreo	Five Key Takeaways from the IHS Markit Corporate Access Roundtable	<a href="#">Link</a>
Reuters	Top Abraj executives arrested on U.S. fraud charges	<a href="#">Link</a>

EARNINGS CALENDAR	Market	Est/ Conf	Date
Qatar Electricity & Water	Qatar	C	14 Apr
Masraf Al Rayan	Qatar	C	17 Apr
Qatar Islamic Bank	Qatar	C	17 Apr
The Commercial Bank	Qatar	C	17 Apr
Aljarah Holding	Qatar	C	18 Apr

COMMODITIES	WTD ↓	YTD
Oil (Brent)	-0.84%	24.72%
Oil (WTI)	-1.13%	30.59%
Gold	-1.34%	0.57%
Natural Gas	-3.86%	-7.76%

## 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 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>Japan</b>	Economy Minister visits the US for trade talks
<b>ECB</b>	Governing Council member Francois Villeroy de Galhau speaks in New York
<b>Germany</b>	Economy Minister presents the latest economic forecasts in Berlin
<b>BoE</b>	Policy maker Jonathan Haskel speaks on a panel at the Royal Economic Society
<b>Malaysia</b>	Former Malaysian Prime Minister's corruption and money-laundering trial
<b>France</b>	President Macron may issue recommendations after his "Grand Debat"
<b>BoE Governor</b>	Participates at the Network for Greening the Financial System conference
<b>US</b>	Consumer Financial Protection Bureau Director discusses her vision for the agency
<b>Indonesia</b>	Holds presidential elections
<b>Earning Releases</b>	Goldman, Citibank, BlackRock, Netflix, J&J and Alcoa

## MOST READ REGIONAL SECTOR HEADLINES

<b>Banks</b>	Emirates NBD: Gross proceeds from Network International sale at \$725mn
<b>Energy</b>	OPEC points to much tighter oil market
<b>Financials</b>	Finabl plans to raise \$200mn in London IPO
<b>Telecom</b>	Vodafone Qatar launches cloud services for businesses
<b>Aviation</b>	Hamad International Airport received 9.16mn passengers in 1Q19
<b>Materials</b>	Emirates Global Aluminium starts \$3.3bn alumina refinery in the UAE
<b>Real Estate</b>	UDCD launches final sales phase of Al Muthaidah Towers
<b>Utility</b>	Fitch revises Kuwait Energy's rating watch to Positive on Acquisition
<b>Automobile</b>	Lucid Motors to explore Mideast expansions after Lucid Air launch
<b>REIT</b>	Kuwait Investment Authority-455 buys 1.1% of Hibernia REIT

## MOST READ REGIONAL COMPANY HEADLINES

<b>Ooredoo</b>	Announces date to pay interest to bondholders
<b>Riyad Bank</b>	CEO sees paying 11% to 12% of profit as Islamic tax
<b>Saudi Aramco</b>	Saudi Aramco sells \$12bn bonds out of record \$100bn demand
<b>Dubai Islamic Bank</b>	In talks to buy Noor Bank
<b>ADNOC</b>	Weights secondary listing overseas for distribution business
<b>First Abu Dhabi Bank</b>	First Abu Dhabi Bank, Abu Dhabi Islamic Bank deny merger talks
<b>Tasnee</b>	To launch operations at titanium ilmenite & sponge plants in 2019
<b>Hilton</b>	Hilton to operate 50 hotels in Saudi Arabia by 2023
<b>Cepsa</b>	UAE's Mubadala says Carlyle Group to buy 30-40% stake in Cepsa
<b>Al Abdullatif</b>	Wins SAR 20 mn contract to re-carpet Prophet's Mosque

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	9,088.0	16.1%	3.0%	3.0%	\$577.8	20.5x
<b>ADX</b>	5,052.3	2.8%	-0.4%	-0.4%	\$138.3	14.2x
<b>DFM</b>	2,790.2	10.3%	5.9%	5.9%	\$75.0	10.0x
<b>Nasdaq Dubai</b>	3,254.0	5.8%	1.6%	1.6%	NP	NP
<b>Qatar</b>	10,259.1	-0.4%	1.5%	1.5%	\$133.0	14.2x
<b>Bahrain</b>	1,438.5	7.6%	1.8%	1.8%	\$22.0	9.5x
<b>Oman</b>	3,983.8	-7.9%	0.0%	0.0%	\$12.4	8.4x

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