

3Q 2018 IR CALENDAR

DATE

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|---------------------------------|------------|
| Arqaam Investor Conference, DXB | 24-25 SEPT |
|---------------------------------|------------|

IN CASE YOU MISSED IT ...

The regional markets ended mixed last week, with some key markets affected by instability in emerging markets and global trade tensions. Qatar (+2.0%) scaled a 16-month peak, buoyed by Industries Qatar and Masraf Al Rayan. Saudi Arabia (-1.3%) declined to a 6-month low. Abu Dhabi (+0.3%) inched up, but Dubai (-0.6%) fell. Oman (+2.8%) rose strongly and Bahrain (+0.4%) edged up as well, but Kuwait (-2.2%) ended firmly in the red. The US markets rebounded from last week's losses, although investor sentiment was largely driven by concerns over US-China trade towards the end of the week. Gains in NASDAQ (+1.4%) were led by Apple. S&P500 (+1.2%) and Dow (+0.9%) also rose, with Dow reaching its highest level since late-January. Europe also ended in the green, with notable rise witnessed in CAC 40 (+1.9%), DAX (+1.4%), and STOXX 600 (+1.1%); FTSE 100 (+0.4%) also inched up.

ASSET CLASS MONITOR

WTD ↓

YTD

| | | |
|--------------------|--------|---------|
| Oil (Brent) | 2.20% | 16.91% |
| US Treasury Yields | 0.94% | 54.68% |
| S&P 500 | 0.91% | 8.62% |
| MSCI World | 0.77% | 0.97% |
| Gold | 0.12% | -7.78% |
| MSCI EM | -0.06% | -12.16% |
| MSCI GCC | -0.44% | 9.44% |
| FTSE 100 | -0.51% | -5.28% |
| Aluminum | -0.81% | -10.15% |

BRENT FUTURES PRICE



COMMODITIES

WTD ↓

YTD

| | | |
|-------------|-------|--------|
| Oil (Brent) | 2.20% | 16.91% |
| Natural Gas | 1.62% | -4.61% |
| Oil (WTI) | 1.21% | 13.52% |
| Gold | 0.12% | -7.78% |

Investors to remain cautious, as Fed rate hike looms

The week ahead

Regional markets

Regional markets may not witness strong gains this week, as investors likely remain unconvinced about the Brent crude price registering further gains, following an up-move towards the \$80 per barrel mark. Further, given the sustained US-China tensions over trade tariffs, and confusing signals from POTUS towards the end of last week, investors may become more cautious. Also, bullish sentiment is unlikely to take hold, given the possibility of the US Federal Reserve lifting interest rates later this month, especially in light of the upbeat labor market data, with initial jobless claims touching a 49-year low.

Global markets

The week begins with Eurozone's August consumer inflation data on Monday. The Reserve Bank of Australia's policy meeting minutes and Japan's August merchandise trade balance data will be released on Tuesday. Wednesday will witness the Bank of Japan's interest rate decision, the UK's August consumer inflation and New Zealand's 2Q18 GDP data, and European Central Bank's President's speech. The Swiss National Bank's interest rate decision, Japan's August inflation and the US' August existing home sales data will be out on Thursday. Canada's July retail sales and August consumer inflation data, and Markit September PMI (prelim) numbers for Eurozone and the US will bring the week to a close on Friday.

You may be asked about

Saudi Arabia raised \$2bn through the issuance of new Islamic bonds, or Sukuk, maturing in January 2029, thereby completing its external funding requirements for 2018. The transaction marked the second international sale of Sukuk by the Kingdom after a \$9bn issue last year. Saudi Arabia's debt management office stated that the bond sale was 'part of the Ministry of Finance's commitment to the development of the Shariah-compliant debt capital markets'. Orders for the issue topped \$10bn, which underlines strong investor appetite for the deal. Saudi Arabia, which had raised \$11bn in April through conventional notes, plans to borrow about \$31bn this year to bridge its budget deficit.

Note to management

The inclusion of GCC markets into the global emerging markets universe can have some negative side effect. One of them is that regional companies now increasingly appear on the radar screen of short sellers.

A typical tactic of these short sellers is to publish negative research and opinion that encourages other investors' belief that the targeted company's shares will fall.

The Investor Relations team should take the front rank in the defence against these short sellers. They have had the most rehearsals of the firm's equity story, and – crucially – will have simulated potential attacks and challenges; they can be the Black Ops team of the firm, ready and able to be deployed swiftly and effectively to neutralise an attack.

Read more on the subject [HERE](#)

REGIONAL CALENDAR

| | | |
|------------|---------------------------------------|-----------------------------------|
| 16.09.2018 | Abu Dhabi Industrial Production Index | Abu Dhabi Construction Cost Index |
| 18.09.2018 | Abu Dhabi Banks Statistics | - |
| 20.09.2018 | KSA Weekly Money Supply Data | - |

GLOBAL CALENDAR

| | | |
|------------|----------------------------------|--------------------------------|
| 17.09.2018 | Eurozone Consumer Inflation Data | - |
| 18.09.2018 | RBA Meeting Minutes | Japan Trade Balance Data |
| 19.09.2018 | BoJ Interest Rate Decision | UK Consumer Inflation Data |
| 20.09.2018 | UK Retail Sales Data | Japan Consumer Inflation Data |
| 21.09.2018 | Canada Retail Sales Data | Canada Consumer Inflation Data |

Food for thought

IR & BEYOND

| | | |
|------------------------|---|----------------------|
| Iridium | Short Selling: A Necessary Evil – and Opportunity for IR Teams | Link |
| Bloomberg Blog | Contrarian view of buybacks hints at investment hypocrisy | Link |
| Washington Post | We have lots of problems in corporate governance. Systemic short-termism isn't one of them. | Link |
| Institutional Investor | Fidelity's Race to Manage Funds for Free | Link |
| The Economist | Money managers and charities are offering joint investment products | Link |

| SOVEREIGN YIELDS (10YR) | CURRENT (%) | 1 MONTH (bps) | 1 YEAR (bps) |
|----------------------------|----------------|------------------|-----------------|
| US | 3.00 | +13 | +79 |
| UK | 1.53 | +30 | +22 |
| Germany | 0.45 | +15 | +2 |
| France | 0.76 | +10 | +6 |
| Italy | 2.98 | -18 | +91 |
| Switzerland | -0.07 | +11 | +4 |
| Japan | 0.11 | +2 | +9 |
| Hong Kong | 2.27 | +20 | +89 |
| India | 8.12 | +31 | +152 |

GLOBAL AGENDA

| | |
|----------------------------------|--|
| Bank of Japan | Announces monetary policy decision |
| OPEC meeting | OPEC and the Joint Technical Committee to meet in Algiers |
| ECB President | Draghi delivers a speech in Berlin |
| Swiss National Bank | Announces interest rate decision |
| Brexit talks | EU chief Brexit negotiator Barnier briefs EU ministers in Brussels |
| UNGA | UN General Assembly opens its 73rd regular session in New York |
| German FM | Olaf Scholz addresses a conference in Berlin |
| Reserve Bank of Australia | Publishes its meeting minutes |
| UK | Releases consumer inflation and retail sales data |
| Earning Releases | Oracle, FedEx, General Mills, Red Hat |

MOST READ REGIONAL SECTOR HEADLINES

| | |
|--------------------|--|
| Energy | OPEC: Global oil demand may reach 98.83mbpd in 2018 |
| Banks | Bank of America likely to get Abu Dhabi banks' merger role |
| Financials | Saudi Arabia's financial sector strong enough to withstand shocks, says SAMA |
| Materials | SABIC signs MoU to build petrochemical complex in China |
| Real Estate | Aldar Properties hires banks for \$750mn Sukuk refinancing |
| Transport | IATA: Middle East's airlines flew a record 216.1mn passengers in 2017 |
| Utilities | ACWA Power, ENGIE in race for Saudi Arabia's water project |
| Telecom | Batelco inks deal with Dilmunia Mall Development Company |
| Industrials | Qatar Industrial Manufacturing signs MoU with Germany's Glassglobal |
| REIT | Derayah REIT plans dividend for 3Q18 |

MOST READ REGIONAL COMPANY HEADLINES

| | |
|------------------------------|---|
| Saudi Aramco | Saudi Aramco's JV in Malaysia seeks commitments for \$9.7bn project financing |
| NBO | National Bank of Oman hires banks for new Dollar bond issue |
| DP World | DP World to issue new debt, buy back JAFZA Sukuk |
| Drake & Scull | Drake & Scull International's shareholders to decide whether to dissolve firm |
| Dana Gas | Crescent Petroleum raises its stake in Dana Gas to over 20% |
| ADIB | Abu Dhabi Islamic Bank sets final terms for \$750mn Sukuk |
| Sahara Petrochemical | Sahara declares an emergency shutdown at one of its subsidiary's plant |
| Saudi Electricity Co. | Saudi Electricity Company mandates 8 banks for potential Sukuk issue |
| SHUAA Capital | SHUAA Capital to acquire 87.22% stake in Amwal |
| Dar Al Arkan | Dar Al Arkan to open VOX Cinemas multiplex in Riyadh |

| REGIONAL MARKETS | Last Close | YTD % | QTD % | MTD % | M-Cap (bn) | P/E (ttm) |
|---------------------|------------|--------|-------|-------|------------|-----------|
| Saudi Arabia | 7,590.7 | 5.0% | -8.7% | -4.5% | \$486.0 | 16.7x |
| ADX | 4,934.4 | 12.2% | 8.2% | -1.1% | \$132.1 | 13.0x |
| DFM | 2,809.9 | -16.6% | -0.4% | -1.1% | \$75.6 | 7.5x |
| Nasdaq Dubai | 3,258.6 | -0.9% | 5.0% | -0.6% | NP | NP |
| Qatar | 10,022.0 | 17.6% | 11.1% | 1.4% | \$119.0 | 14.9x |
| Bahrain | 1,345.0 | 1.0% | 2.6% | 0.5% | \$20.6 | 9.1x |
| Oman | 4,558.5 | -10.6% | -0.3% | 3.2% | \$13.8 | 11.2x |

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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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