

Optimism over US-China trade deal to support markets

The week ahead

Regional markets

Regional markets may begin the week on a positive note, on the back of optimism over a trade deal between the US and China before a March 1 deadline, with trade discussions continuing between higher level officials of the two countries in Washington this week. Further, Brent crude prices closed over the USD65 per barrel mark (+6.7% w-o-w), which should also boost the morale of regional investors. Meanwhile, investors may keep an eye on the PMI data of US and Eurozone to gauge the health of the global economy. Etisalat and Qatar Aluminium Manufacturing Company are scheduled to report FY2018 earnings this week.

Global markets

The week begins with President's Day holiday in the US on Monday. Tuesday's releases include ZEW's survey on the economic sentiment (Feb) in the Eurozone and the UK's unemployment rate & average earnings (Dec) statistics. Wednesday will witness the release of US' Federal Open Market Committee's meeting minutes. A host of preliminary Markit PMI (Feb) numbers for the Eurozone and the US, home sales data for the US (Jan) and Germany's Harmonized Index of Consumer Prices (Jan) will be published on Thursday. Release of Eurozone's consumer inflation (Jan) and Germany's 4Q18 GDP will draw the week to a close on Friday.

You may be asked about

The head of the International Monetary Fund (IMF), Christine Lagarde, stated that the Small & Medium Sized Enterprises (SMEs) in the Arab world face severe difficulties in accessing funds for their operations. She added that SMEs make up 96% of registered companies in the Arab region but receive only 7% of total bank lending, adding that bridging this gap could aid in creating 15mn new jobs by 2025 and boost growth in the region by ~1% annually. The IMF Chief acknowledged steps taken by the UAE, Egypt and Jordan in raising financial inclusion for SMEs. Earlier, Lagarde had also raised concerns over a jump in the Arab regions' public debt from 64% to 85% of GDP over the last 10 years, amidst a muted recovery following the 2014 oil price shock.

Note to management

Some of the biggest companies in the world did not exist a couple of decades ago, have business models that are as young as they are, and have made their founders and early investors into billionaires.

But now they are part of a mature capital market ecosystem, surely they owe it to investors to be fully transparent? Why are they suddenly starting to disclose less information?

This week, we examine the new trend of "Less Is More" disclosure among the Silicon Valley giants, and ask when guidance is appropriate....and when it is not.

Read our viewpoint [HERE](#).

REGIONAL CALENDAR

19.02.2019	KSA Tourism Research Data	-
21.02.2019	KSA Weekly Money Supply Data	KSA Quarterly Inflation Report
22.02.2019	KSA Consumer Price Index	

GLOBAL CALENDAR

19.02.2019	UK ILO Unemployment Rate	Germany ZEW Survey - Economic Sentiment
20.02.2019	FOMC Minutes	-
21.02.2019	Germany Markit PMI	EU Markit PMI
22.02.2019	Germany GDP Data	EU Consumer Price Index

Food for thought

IR & BEYOND

Iridium	Apple, Facebook and Twitter Pull Back from Disclosure	Link
EY	Is everything that counts being counted?	Link
Institutional Investor	Want a Better Board? Look To Private Equity	Link
Bloomberg	The Best-Paid Hedge Fund Managers Made \$7.7 Billion in 2018	Link
IR Magazine	Earnings calls increasingly mention plastic waste	Link

IN CASE YOU MISSED IT...

Regional markets ended largely in the red last week. Qatar (-5.4%) was dragged to a four-month low by Industries Qatar and Qatar Islamic Bank. Abu Dhabi (-1.5%) was pulled down by a weak performance of First Abu Dhabi Bank. Dubai (-0.4%) edged down despite a late surge as weakness in property stocks weighed. Bahrain (-3.3%) and Oman (-1.0%) also closed in the red. However, Saudi Arabia (+0.2%) recovered on improving oil prices, offsetting a fall in banking and petrochemical stocks. Kuwait (+0.7%) ended up. The US markets were buoyed by encouraging progress of US-China trade talks, with POTUS showing eagerness to postpone March 1 deadline, and the US lawmakers reaching a deal to avoid another government shutdown. The Dow (+3.1%) and the NASDAQ (+2.4%) rose for the consecutive eight weeks. The S&P 500 (+2.5%) closed up for a third straight week. Europe too advanced on trade optimism, with CAC 40 (+3.9%), DAX (+3.6%), STOXX 600 (+3.0%) and FTSE 100 (+2.3%).

Q4 RESULTS	PROFIT (mn)	Y-O-Y%
Emaar Malls	AED 2,229.9	+6.9%
Aldar Properties	AED 1,855.8	-7.0%
Arabtec Holding	AED 256.0	+108.1%
Dubai Investments	AED 651.4	-35.0%
Fawaz Abdulaziz Alhokair	SAR 26.5	-45.5%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
Oil	4.77%	20.02%
S&P 500	1.47%	9.53%
FTSE 100	1.46%	6.97%
MSCI World	0.86%	8.56%
US Treasury	0.41%	-0.82%
Gold	0.19%	2.35%
MSCI EM	-0.27%	7.60%
MSCI GCC	-1.31%	6.22%
Aluminium	-1.80%	-2.14%

EARNINGS CALENDAR	Market	Est/ Conf	Date
Etisalat	UAE	C	19 Feb
Gulf Cement Company	UAE	C	19 Feb
Qatalum	Qatar	C	20 Feb
Qatar Oman Investment Company	Qatar	C	20 Feb

COMMODITIES	WTD ↓	YTD
Oil (Brent)	4.77%	20.02%
Oil (WTI)	3.36%	19.82%
Natural Gas	0.86%	-12.48%
Gold	0.19%	2.35%

About Iridium

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GLOBAL AGENDA

EU	Foreign ministers meet in Brussels to discuss Ukraine, Syria and Venezuela
India	KSA's Crown Prince Mohammed bin Salman to visit India
ECB Vice President	To participate in "Euro at 20 Years: The Road Ahead" in Brussels
US Fed	To release FOMC minutes
Russian President	To deliver annual state-of-the-nation address before the Federal Assembly
EU ambassadors	To discuss the status of Brexit in Brussels
EU	trade ministers meet in Bucharest
Israeli Prime Minister	To meet Russia's President Vladimir Putin
US	US Markets to remain closed for Presidents Day holiday on February 18
Earning Releases	Walmart, Intuit, Barclays, Swiss Re, Axa, Novatek

MOST READ REGIONAL SECTOR HEADLINES

Banks	Ahli Bank Bahrain and Ahli Bank Kuwait sign agreement to sell stake in KMEFIC
Energy	OPEC cuts oil supply steeply but sees growing 2019 headwinds
Infrastructure	Jordan and KSA sign MoU for JOD500mn railway project
Real Estate	SAGIA signs 8 agreements with local developers to boost real estate investments
Aviation	Boeing: Middle East needs 3k new commercial airplanes over next 20 years
Utilities	Dubai plans desert city's first solar-powered desalination plant
Transport	Aldrees shareholders to vote on 20% capital hike, 10% dividend
Insurance	Al Alamiya names Abdulaziz Bin Hasan as board chairman
Materials	RAK Ceramics to expand in Saudi Arabia with new facility
Telecom	STC to provide Saudi Aramco's communities with high-speed internet

MOST READ REGIONAL COMPANY HEADLINES

Qatar Petroleum	Signs five-year light naphtha sales agreement with Marubeni
ACWA Power	PIF will raise stake in ACWA Power, to expand overseas
Tabreed	Gets 30-year India concession in first foray outside the GCC
Investcorp	Buys properties in the US for \$330mn
Bank Dhofar	Still exploring merger with National Bank of Oman
Mashreqbank	Hires banks ahead of Dollar bond sale
Dana Gas	May sell Iraqi gas to Turkish buyers
BRES	Signs a financing agreement with a Qatari local bank
Kuwait Petroleum	Reportedly reassesses \$500bn spending plan
Etihad Airways	Restructures Airbus, Boeing jet orders

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,626.3	10.2%	10.2%	0.8%	\$553.5	18.3x
ADX	5,036.4	2.5%	2.5%	-0.2%	\$136.7	14.1x
DFM	2,533.6	0.2%	0.2%	-1.3%	\$69.0	8.0x
Nasdaq Dubai	3,102.5	0.9%	0.9%	-2.0%	NP	NP
Qatar	9,941.5	-3.5%	-3.5%	-7.3%	\$128.9	14.2x
Bahrain	1,372.0	2.6%	2.6%	-1.4%	\$20.9	9.4x
Oman	4,109.3	-5.0%	-5.0%	-1.4%	\$12.8	8.4x

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