

IN CASE YOU MISSED IT . . .

Regional markets ended last week in positive territory. Qatar (+1.6%) was driven by MSCI's decision to enhance weightings of Qatar National Bank and Qatar Islamic Bank in the emerging markets index. Saudi Arabia (+1.3%) was supported by gains in Al Rajhi Bank and SABIC. Dubai (+1.1%) was aided by a rebound in Emaar Properties. Abu Dhabi (-0.1%) and Bahrain (+0.2%) posted mostly flat movements, while Oman (-1.4%) and Kuwait (-0.4%) registered losses. US markets were weak on limited clarity pertaining to on-going US-China trade negotiations and a rise in treasury yields; accordingly, S&P 500 (-0.5%), Dow (-0.5%), and NASDAQ (-0.7%) ended in the red. Europe ended in the green, with CAC 40 (+1.3%) being an outperformer among key indices. FTSE 100 (+0.7%) scaled a record closing high on Thursday; Stoxx 600 (+0.6%) and DAX (+0.6%) also edged up.

Q1 RESULTS	PROFIT (mn)	Y-O-Y%
Samba Financial Group	SAR 1,305	+6.0%
Bupa Arabia	SAR 20.8	+75.2%
Waha Capital	AED 107.4	+22.6%
Union Properties	AED 182.7	+330.3%
ADNOC Distribution	AED 542.2	+12.1%
Emaar Development	AED 819.3	+62.0%
Dana Gas	AED 51.0	+27.5%
GFH Financial Group	BHD 36.5	+14.3%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
Oil (Brent)	1.80%	17.41%
MSCI GCC	1.48%	8.34%
Aluminum	1.06%	2.48%
FTSE 100	0.70%	1.18%
US Treasury Yields	-0.52%	37.41%
S&P 500	-0.54%	1.47%
MSCI World	-0.73%	0.51%
Gold	-1.99%	-0.75%
MSCI EM	-2.30%	-1.79%

US Dollar, treasury yields to determine market moves

The week ahead

Regional markets

Even though Brent crude briefly crossed the USD 80/bbl mark last week, investors in the region are likely to remain cautious. Accordingly, they will weigh the impact of the strengthening US Dollar and elevated US treasury yields on global demand and oil prices. To this backdrop, concrete outcomes to the US-China trade talks will be keenly watched.

Global markets

The week begins with the release of the EU's financial stability review on Monday. UK's inflation hearings report will be out on Tuesday. Wednesday will be action-packed, with the release of Germany's 1Q GDP data, May Markit PMI data (prelim) for the Eurozone and the US, UK's April CPI, and the US central bank's FOMC minutes. Thursday will witness the ECB's monetary policy meeting accounts report, data on US' April existing home sales, US March housing price index, and Tokyo's May CPI. Friday will see the Fed's Powell speech, in addition to data on Switzerland's 4Q industrial production and the UK's 1Q GDP.

You may be asked about

On 16th May, Saudi British Bank (SABB) and Alawwal Bank (Alawwal) announced they had entered into a non-binding agreement to merge, thereby forming Saudi Arabia's third-biggest lender with assets of ~USD 77bn. SABB is 40% owned by HSBC Holdings, whereas a consortium that includes Royal Bank of Scotland owns 40% of Alawwal. According to the agreement, SABB will acquire Alawwal for SAR 18.6bn, with Alawwal's shareholders reportedly set to receive 0.485 SABB shares for each Alawwal share. If approved, the deal would result in the first major banking deal in KSA since Saudi American Bank merged with United Saudi Bank in 1999.

Note to management

IPOs in the GCC have not been a success story in recent years. This is an issue for future privatisations. Of the 25 companies that have come to market in recent times, the majority are trading below their listing price. There are many reasons for this, but one of the gaps is the active role of Board members. Directors who are representatives of the shareholder should up their game. In particular, they need to think about:

- Behaving like activist investors, questioning management, probing decisions, and insisting on the highest standards
- Holding management to account, be demanding, and stop agreeing with every management proposal
- Recognising that change is coming our way, and start to become agents of change

When Boards challenge management, companies improve. When companies improve, they have a positive investor story to tell. And when investors hear a positive story, they rate the stock and buy it. Read on [here](#) to find out more.

REGIONAL CALENDAR

20.05.2018	Abu Dhabi GDP Production Approach 2018	-
21.05.2018	-	-
22.05.2018	Abu Dhabi Building Materials Price Statistics	KSA Consumer Price Index
23.05.2018	KSA Wholesale Price Index	-
24.05.2018	KSA Weekly Money Supply	KSA Economic Indicators Survey

GLOBAL CALENDAR

21.05.2018	US Chicago Fed National Activity Index	-
22.05.2018	-	-
23.05.2018	FOMC Minutes	UK Consumer Inflation Data
24.05.2018	ECB Monetary Policy Meeting Accounts	UK Retail Sales Data
25.05.2018	US Durable Goods Orders Data	UK Q1 2018 GDP Data (Preliminary)

Food for thought

IR & BEYOND

Iridium	Why Board Directors Must Become Activists	Link
Harvard Business Review	How Netflix Redesigned Board Meetings	Link
Financial Post	Why independent directors are in short supply	Link
IPREO	S&P 500 AGM Voting Results	Link
IR Magazine	Research: Site visits most valuable, says investment community	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	3.06	+15	+82
UK	1.50	-2	+41
Germany	0.57	-2	+21
France	0.82	+1	+3
Italy	2.22	+45	+9
Switzerland	0.05	-2	+20
Japan	0.05	+2	+2
Hong Kong	2.25	+27	+102
India	7.77	+15	+107

COMMODITIES	WTD ↓	YTD
Oil (Brent)	1.80%	17.41%
Natural Gas	1.46%	-3.59%
Oil (WTI)	0.82%	17.97%
Gold	-1.99%	-0.75%

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

Federal Reserve	Releases minutes of policy makers' May 1-2 meeting
German Chancellor	Angela Merkel to make an official visit to China
ECB	Publishes its Financial Stability Review
South Korea	President visits Washington to discuss North Korea
European Commission	Publishes country-specific recommendations for economic policy
US	Releases durable goods orders and home sales data
EU Finance Ministers	Discuss developments on Brexit talks in Brussels
Earning Releases	Hewlett Packard, Colgate-Palmolive, Tata Motors, Marks & Spencer

MOST READ REGIONAL SECTOR HEADLINES

Banks	Saudi Arabian banks plan US Dollar bonds despite ample liquidity
Financials	S&P affirms BBB+ rating on Saudi Re with stable outlook
Energy	Non-OPEC compliance with oil output cuts slipped to 73% in April
Cement	Saudi Cement, GE ink deal for gas turbines upgrades
Materials	Saudi Steel Pipe unit wins SAR141mn contract from Aramco
Consumer Discretionary	Jarir Marketing starts unit in Bahrain
Transportation	Qatar Airways reaches agreement with British Airways to retain slots gained at London's Gatwick Airport
Telecom	Saudi Telecom shelves plan to sell mobile towers: CEO
Real Estate	Dubai Land Department: British nationals invest \$8.47bn in Dubai real estate
REIT	Bank Muscat REIT's assets grow 74% to \$90mn

MOST READ REGIONAL COMPANY HEADLINES

ADNOC Distribution	ADNOC Distribution seeks Saudi partners for regional growth
QIIB	Qatar International Islamic Bank hires StanChart, QNB for \$500mn sukuk
Emirates NBD	Emirates NBD to purchase Denizbank this month
Saudi Aramco	Saudi Aramco reportedly selling US oil to UAE
Saudi British Bank	SABB, Alawwal Bank in deal to create Saudi Arabia's third largest bank
Dar Al Arkan	Dar Al Arkan launches phase two of \$2.7bn project
Ooredoo	Ooredoo becomes world's first operator to launch live 5G network
Dana Gas	Dana Gas reaches deal on \$700mn Sukuk restructuring
Al Akaria	Saudi Arabia's Al Akaria eyes \$640mn capital hike
Saudi Marketing Co.	Saudi Marketing Co. (Farm Superstores) opens new branch in Riyadh

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,016.9	10.9%	1.9%	-2.3%	\$518.4	18.4x
ADX	4,431.7	0.8%	-3.4%	-5.1%	\$121.5	11.9x
DFM	2,912.6	-13.6%	-6.3%	-5.0%	\$76.7	9.4x
Nasdaq Dubai	3,076.8	-6.4%	-5.0%	-5.5%	NA	NA
Qatar	8,891.2	4.3%	3.7%	-2.4%	\$104.6	13.2x
Bahrain	1,272.8	-4.4%	-3.5%	1.2%	\$19.9	8.3x
Oman	4,617.7	-9.4%	-3.3%	-2.4%	\$13.0	11.8x

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