

| 2Q 2018 EVENT CALENDAR                      | DATE      |
|---|-----------|
| GS / Bursa Kuwait Roadshow, LON             | 25 APR    |
| MENA Roadshow ( <a href="#">Link</a> ), DXB | 29-30 APR |
| Morgan Stanley EMEA, LON                    | 15-17 MAY |

## IN CASE YOU MISSED IT ...

Saudi Arabia (+5.8%) staged a strong recovery to sail past the 8,000 mark and scale its highest level since August 2015, on oil price gains and easing worries over the Syria conflict. Frontline stocks such as SABIC and Al Rajhi Bank touched 52-week highs. Qatar (+3.1%) continued to witness positive momentum, with QNB Group and Qatar Islamic Bank yet again among the top three gainers. Abu Dhabi (+1.2%) was supported by gains in Aldar Properties, First Abu Dhabi Bank and RAK Properties. Dubai (-0.4%) edged down due to decline in Emaar Properties and Aramex. Bahrain (+0.8%) rose, while Kuwait (-0.5%) and Oman (-0.4%) fell. Meanwhile, US markets ended in the green, as the S&P 500 (+0.5%) and Dow (+0.4%) were aided by strong earnings announcements. FTSE 100 (+1.4%) closed at an 11-week high due to decline in the British Pound over likely delay in rate hikes; Stoxx 600 (+0.7%) also moved up.

| Q1 RESULTS              | PROFIT (mn) | Y-O-Y% |
|-------------------------|-------------|--------|
| Advanced Petrochemical  | SAR 98.0    | -21.2% |
| Yamama Cement           | SAR 23.8    | -53.1% |
| Ahli Bank               | QAR 176.1   | +3.6%  |
| Dubai Islamic Bank      | AED 1173.1  | +16.3% |
| Emirates NBD Bank       | AED 2386.2  | +27.4% |
| Qatar Int. Islamic Bank | QAR 253.2   | +7.1%  |
| Qatar Islamic Bank      | QAR 625.2   | +12.6% |
| Masraf Al Rayan         | QAR 531.1   | +4.1%  |

## BRENT FUTURES PRICE



| ASSET CLASS MONITOR | WTD ↓  | YTD    |
|---------------------|--------|--------|
| Aluminum            | 5.87%  | 9.82%  |
| MSCI GCC            | 4.42%  | 11.75% |
| US Treasury Yields  | 2.84%  | 30.22% |
| Oil (Brent)         | 2.04%  | 10.75% |
| FTSE 100            | 1.43%  | -4.16% |
| S&P 500             | 0.52%  | -0.13% |
| MSCI World          | 0.43%  | -0.6%  |
| MSCI EM             | -0.16% | 0.85%  |
| Gold                | -0.73% | 2.58%  |

## Is \$100 Oil Back On The Table?

### The week ahead

#### Regional markets

Brent oil rose to its highest level since November 2014, as OPEC members reiterated their commitment to curb production, but dropped immediately after a POTUS tweet. Nevertheless, regional markets should start the week on a positive note, following last week's gains, as well as moderating concerns over Syria and the distant Korean peninsula. Investor focus will be on first quarter earnings with results expected to be released by Samba Financial Group, Doha Bank, and United Arab Bank.

#### Global markets

On Monday, PMI data from Europe will be in the spotlight, followed by US home sales for March. Tuesday will witness data on Germany's business climate. Wednesday will see Switzerland's ZEW Survey data. On Thursday, the market will keep an eye on the ECB's interest rate decision and monetary policy statement, in addition to Japan's inflation figures. The week will end with an event-heavy Friday, starting with the BOJ's interest rate decision, followed by German unemployment numbers, preliminary UK GDP data (consensus: +0.4% QoQ), US GDP (consensus: +2.3% QoQ) and US core personal consumption expenditure (consensus: +1.5% QoQ).

#### You may be asked about

\$100 oil price. In February, we wrote that Goldman Sachs estimated Brent to reach \$75/ bbl over the next three months and could climb to \$82.50 within six months (see [IR Brief](#)). That sounded a bit too bullish at the time, but last Friday Brent hit \$74.44/ bbl. According to Bloomberg, technical indicators now show that \$82 is within reach, and Reuters say that forces are at play that could send oil as high as \$100 (see [Links](#) below).

#### Note to management

Saudi Aramco has always kept its financials a closely guarded secret. So when Bloomberg published leaked numbers from 1H 2017 last week, it let loose a frenzy of speculation: Aramco is more profitable than Apple; Aramco will be valued at far lower than the \$2 trillion aimed for; Aramco pays huge amounts of tax and royalties, making it a cornerstone of the Saudi economy.

As a privately-held company, Aramco could choose to ignore the leak and subsequent media coverage - which is precisely what it did. That approach will not suffice once its shares are publicly traded, however.

There is a deeper question revealed by this episode, and that is: How should companies prepare for leaks? How should they manage them when they happen (as they inevitably will)? And how can they turn a leak into a positive?

Click here to read our thoughts and golden rules on what to do when a leak occurs: [Link](#)

### REGIONAL CALENDAR

|            |  |                             |
|------------|--|-----------------------------|
| 22.04.2018 | KSA Average prices of Goods and Services | -                           |
| 23.04.2018 | -  | -                           |
| 24.04.2018 | KSA Consumer Price Index                 | KSA Real Estate Price Index |
| 25.04.2018 | KSA Wholesale Price Index                | KSA Labor Force Survey      |
| 26.04.2018 | KSA Weekly Money Supply                  | -                           |

### GLOBAL CALENDAR

|            |                                   |                                   |
|------------|-----------------------------------|-----------------------------------|
| 23.04.2018 | Eurozone PMI Data (Preliminary)   | Germany PMI Data (Preliminary)    |
| 24.04.2018 | Germany IFO Business Climate Data | USA Housing Data                  |
| 25.04.2018 | -                                 | -                                 |
| 26.04.2018 | ECB's Interest Rate Decision      | Japan Consumer Inflation Data     |
| 27.04.2018 | US Q1 2018 GDP Data (Preliminary) | UK Q1 2018 GDP Data (Preliminary) |

## Food for thought

### IR & BEYOND

|                      |   |                      |
|----------------------|---|----------------------|
| IR Magazine/ Iridium | What Companies Can Learn From The Saudi Aramco Leak                     | <a href="#">Link</a> |
| Bloomberg Blog       | Aramco In Five Numbers: Highlights From Saudi Giant's Accounts          | <a href="#">Link</a> |
| Arab News            | Oil Price Soars To Highest Level In Years                               | <a href="#">Link</a> |
| Bloomberg            | Oil's Bullish Signals Show Saudi Arabia's \$80 Goal Within Reach        | <a href="#">Link</a> |
| Reuters              | OPEC's new price hawk Saudi Arabia seeks oil as high as \$100 - sources | <a href="#">Link</a> |

## EARNINGS CALENDAR\*

|                         | Market | Est/<br>Conf | Date   |
|-------------------------|--------|--------------|--------|
| Doha Bank               | Qatar  | C            | 22 Apr |
| Samba Financial Group   | KSA    | E            | 22 Apr |
| Oman Telecommunications | Oman   | E            | 23 Apr |
| United Arab Bank        | UAE    | E            | 24 Apr |
| Alinma Bank             | KSA    | E            | 24 Apr |
| Bank Al-Jazira          | KSA    | E            | 24 Apr |
| Alawwal Bank            | KSA    | E            | 24 Apr |

\*Courtesy of Arqaam Capital Research

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## GLOBAL AGENDA

|                   |   |
|-------------------|---|
| ECB               | Interest rate decision on Thursday, expected to leave rates unchanged                                 |
| US                | Preliminary Q1 GDP data   |
| UK                | Preliminary Q1 GDP data   |
| Bank of Japan     | Interest rate decision and monetary policy statement on Friday  |
| Eurogroup meeting | Finance ministers of all the members of the euro area will meet                                       |
| US                | Core personal consumption expenditure for Q1  |
| Korea Summit      | South Korean president Moon Jae-in and North Korean leader Kim Jong Un are expected to meet on Friday |
| Earning Releases  | Amazon, ExxonMobil, Facebook, Lockheed Martin, Boeing, Chipotle                                       |

## MOST READ REGIONAL SECTOR HEADLINES

|                |  |
|----------------|--|
| Banks          | Dubai Islamic Bank plans to raise \$ 1.4bn from rights issue       |
| Financials     | UAE's insurance firms pay AED 655mn dividends in 2017              |
| Energy         | Kuwait to spend \$ 112bn on oil projects                           |
| Industrials    | Al-Khodari renews SAR 330mn Islamic credit facility                |
| Retail         | Qatar's MERS announces the opening of a new branch in Aba Al Heran |
| REIT           | UAE Mubadala to launch REIT Fund in 2019 - CEO                     |
| Transportation | Qatar Airways announces new code share deal with Air Italy         |
| Utilities      | Saudi Electricity, GE sign deal to optimize power generation       |
| Real Estate    | Dubai records AED 58bn real estate transactions in 1Q2018          |
| Telecom        | Omantel issues \$ 1.5bn bonds in two tranches                      |

## MOST READ REGIONAL COMPANY HEADLINES

|                  |  |
|------------------|--|
| Emaar Properties | Emaar Properties launches three big hospitality projects in Sharjah    |
| Mashreq Bank     | Mashreq Bank launches \$1bn in multi-currency CDs program in Hong Kong |
| Emirates NBD     | Emirates NBD expands its bank in Saudi Arabia                          |
| Aldar Properties | Aldar Properties eyes new acquisitions                                 |
| TAQA             | Abu Dhabi Nat. Energy Co. (TAQA) to issue \$ 1.75bn dual-tranche bond  |
| Noor Bank        | Dubai's Noor Bank markets \$500mn five-year Sukuk                      |
| Dana Gas         | UAE court says Dana Gas can distribute dividends, contradicts UK court |
| Investcorp       | Bahrain's Investcorp acquires US auto parts supplier                   |
| Al Hokair        | Al Hokair to operate Holiday Inn Express hotels in Saudi               |
| Walaa Insurance  | Walaa Insurance, Al Sagr to explore merger                             |

| REGIONAL MARKETS | Last Close | YTD % | QTD % | MTD % | M-Cap (bn) | P/E (ttm) |
|------------------|------------|-------|-------|-------|------------|-----------|
| Saudi Arabia     | 8,277.1    | 14.5% | 5.2%  | 5.2%  | \$531.1    | 18.3x     |
| ADX              | 4,653.0    | 7.0%  | 2.6%  | 2.6%  | \$128.7    | 12.1x     |
| DFM              | 3,094.4    | -8.5% | -0.9% | -0.9% | \$81.2     | 10.8x     |
| Nasdaq Dubai     | 3,269.3    | -0.7% | 0.8%  | 0.8%  | NA         | NA        |
| Qatar            | 8,918.5    | 7.9%  | 7.3%  | 7.3%  | \$107.6    | 13.4x     |
| Bahrain          | 1,291.5    | -2.3% | -1.3% | -1.3% | \$19.9     | 8.8x      |
| Oman             | 4,776.6    | -6.7% | -0.3% | -0.3% | \$13.3     | 11.9x     |

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