

## Trade, Truth and Trust to Drive Markets

### The week ahead

#### Regional markets

Oil prices registered their third straight weekly decline, even as Saudi Arabia stated that it will lower its exports in August. So far, regional markets have largely ignored the impact of lower oil prices due to positive 2Q 2018 earnings. However, global trade tensions continue to worry investors, with POTUS indicating his administration's readiness to levy tariffs on all USD 505bn worth of Chinese imports. Accordingly, in addition to headlines on trade, corporate earnings should drive investor sentiment in the near-term. First Abu Dhabi Bank, STC and Ooredoo are expected to announce earnings this week.

#### Global markets

The week begins with the release of the US' Chicago Fed National Activity Index and existing home sales data on Monday. The US' and Eurozone's composite PMI, New Zealand's trade balance, and US housing price index data will be published on Tuesday. Wednesday will witness the release of Australia's consumer inflation and Germany's business climate data. On Thursday, the European Central Bank's interest rate decision and monetary policy statement will be followed by Japan's consumer inflation numbers. The 2Q 2018 US GDP data (prelim) will be in focus on Friday.

#### You may be asked about

Moody's Investors Service upgraded its outlook on Government of Qatar's long-term issuer ratings to 'Stable' from 'Negative' and affirmed the long-term issuer and foreign-currency senior unsecured debt ratings at 'Aa3'. The outlook change was driven by the ratings agency's assessment that Qatar can withstand the economic, financial and diplomatic boycott by Saudi Arabia, the UAE, Bahrain and Egypt in its current form, or with possible further restrictions, for an extended period of time without material deterioration in its credit profile. Moody's also changed its outlook on the long-term deposit, issuer and senior unsecured debt ratings of ten Qatari banks to 'Stable' from 'Negative'. Further, the outlook on Qatar Petroleum, Industries Qatar and Qatar Electricity & Water Company was improved to 'Stable' from 'Negative'.

#### Note to management

If international markets continue to rise into 2019, it will mark the longest bull run in history. How has this been possible in a world of increasing uncertainty and dislocation? Amid profound uncertainty and disruption, the world order that has stood since 1945 seems to have been fundamentally shaken. The certainties and values that we have all grown up with are under question, and the truth is ever harder to see.

We examine the parallel worlds of media and markets to reveal the importance of truth and trust in investor decision-making. Accuracy, reliability and transparency have never been more important, but there are signs of hope: the truth retains its ability to reveal both good and bad behaviour, and in uncertain times, markets have never needed it more.

Continue reading our thoughts on "The Value of Truth and Trust in an Uncertain World": [Link](#)

#### REGIONAL CALENDAR

22.07.2018	Abu Dhabi Consumer Inflation Data	-
24.07.2018	KSA Non-oil Export Import Data	-
25.07.2018	Abu Dhabi Building Materials Price Statistics	-
26.07.2018	KSA Consumer Inflation Data	KSA Weekly Money Supply Data

#### GLOBAL CALENDAR

23.07.2018	US Chicago Fed National Activity Index	-
24.07.2018	Germany Composite PMI Data	Eurozone Composite PMI Data
25.07.2018	Australia Consumer Inflation Data	Germany Business Climate Data
26.07.2018	ECB Interest Rate Decision	US Durable Goods Orders Data
27.07.2018	US Q2 2018 GDP Data (Preliminary)	US Oil Rig Count

### Food for thought

#### IR & BEYOND

Iridium	The Value of Truth and Trust in an Uncertain World	<a href="#">Link</a>
BCG	Global Asset Management 2018: The Digital Metamorphosis	<a href="#">Link</a>
Institutional Investor	More Hedge Funds Using AI, Machine Learning	<a href="#">Link</a>
The Economist	White Smoke Over West Street	<a href="#">Link</a>
Bloomberg	Saudi Aramco CEO Says Deal for Sabic Would Affect IPO Timeline	<a href="#">Link</a>

#### 3Q 2018 IR CALENDAR

	DATE
GS CEEMEA Financials Symposium, LON	3-4 SEPT
HSBC GEMs 1x1 Conference, LON	3-6 SEPT
DB GEMs 1x1 Conference, NYC	5-6 SEPT
EFG Hermes 1x1 Conference, LON	10-13 SEPT
GS CEEMEA 1x1 Conference, LON	12-13 SEPT
Arqaam Investor Conference, DXB	24-25 SEPT

#### IN CASE YOU MISSED IT . . .

Most regional markets registered gains last week, led by positive 2Q 2018 earnings by some notable banks. Abu Dhabi (+1.8%) was the biggest gainer; Dubai (+1.4%) was aided by Emirates NBD's solid earnings and Emaar Properties' announcement of its sale of non-core assets. Qatar (+1.1%) was supported by Industries Qatar and Qatar Islamic Bank. Saudi Arabia (+1.0%) gained amid news of Saudi Aramco considering acquisition of stake in SABIC. Bahrain (+0.9%) also rose and Oman (+0.2%) edged up marginally, while Kuwait (-0.5%) fell. US ended flat, as POTUS' criticism of the US Federal Reserve's rate hikes and his toughening stance on imports from China and the European Union dampened investor sentiment. Dow (+0.2%), S&P 500 (flat) and NASDAQ (-0.1%) were relatively unchanged. Europe too ended broadly unchanged; Stoxx 600, FTSE 100 and DAX were up marginally (+0.2%, each), whereas CAC40 (-0.6%) slipped.

#### Q2 RESULTS

	PROFIT (mn)	Y-O-Y%
Riyadh Bank	SAR 1,062	+25.2%
Qatar Islamic Bank	QAR 700	+14.8%
Union National Bank	AED 413	-17.6%
Masraf Al Rayan	QAR 535	+4.9%
Emirates NBD	AED 2,631	+30.2%

#### BRENT FUTURES PRICE



#### ASSET CLASS MONITOR

	WTD ↓	YTD
MSCI GCC	1.23%	15.16%
US Treasury Yields	0.51%	43.17%
FTSE 100	0.22%	-0.12%
MSCI World	0.13%	0.56%
S&P 500	0.02%	4.80%
MSCI EM	-0.52%	-7.63%
Gold	-1.19%	-5.62%
Aluminum	-1.21%	-7.43%
Oil (Brent)	-3.00%	9.27%

## EARNINGS CALENDAR\*

	Market	Est/ Conf	Date
Bank AlBilad	KSA	E	22 Jul
Arab National Bank	KSA	E	23 Jul
VIVA Kuwait	Kuwait	E	23 Jul
Etisalat	UAE	C	24 Jul
Ooredoo	Qatar	C	24 Jul
Vodafone Qatar	Qatar	C	24 Jul
Etihad Etisalat Co	KSA	C	24 Jul
Du	UAE	E	25 Jul
Saudi British Bank	KSA	E	25 Jul
First Abu Dhabi Bank	UAE	E	26 Jul
Agthia Group	UAE	E	26 Jul
Saudi Telecom Co	KSA	E	26 Jul
Saudi Investment Bank	KSA	E	27 Jul

\*Courtesy of Arqaam Capital Research

## 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.

### For more information contact:

Iridium Advisors DMCC  
Pamela Chahine, Director  
+971 4 374 5757  
ir@iridium.ae  
www.iridium.ae

## GLOBAL AGENDA

<b>ECB</b>	Announces interest rate decision
<b>US</b>	Releases GDP and durable goods orders data
<b>BoE</b>	Deputy Governor Ben Broadbent delivers a speech in London
<b>BRICS Summit</b>	BRICS leaders meet in Johannesburg
<b>US Tariff discussion</b>	European Commission President and EU trade chief meet with US President
<b>WTO</b>	Holds a meeting to cover issues related to the US-China trade conflict
<b>NAFTA</b>	Renegotiation of North American Free Trade Agreement restart in Washington
<b>French President</b>	Macron meets with Spanish Prime Minister Pedro Sanchez in Madrid
<b>ACGA</b>	Asian Corporate Governance Association releases its 2018 report on China
<b>Earning Releases</b>	Amazon, Twitter, Google, Boeing, Nomura, UBS, Shell

## MOST READ REGIONAL SECTOR HEADLINES

<b>Banks</b>	Moody's affirms ratings of ten Qatari banks and changes outlook to 'Stable'
<b>Energy</b>	Saudi oil exports to drop by about 100,000 bpd in August: OPEC
<b>Financials</b>	Kuwait Finance House seeks talks for merger with Bahrain's AUB
<b>Telecom</b>	Vodafone Qatar signs agreement to connect ASTAD with fixed services
<b>Industrials</b>	Oman's Sohar Aluminium to meet banks to discuss financing
<b>Materials</b>	Maaden subsidiary amends \$1bn loan; gets \$1.13bn financing
<b>Real Estate</b>	Dubai home prices, rentals continue fall in Q2 2018
<b>Utilities</b>	Saudi Electricity Company in talks for international bond issue
<b>Transportation</b>	Qatar Airways, Boeing sign \$1.7bn pact for five freighters
<b>REIT</b>	Taleem REIT plans dividend for Q2 2018

## MOST READ REGIONAL COMPANY HEADLINES

<b>Saudi Aramco</b>	Saudi Aramco mulls stake in Saudi Basic Industries Corp
<b>DSI</b>	Drake and Scull International confirms Tabarak remains strategic investor
<b>Aramex</b>	Aramex sets up giant single-rooftop PV plant in Dubai
<b>Batelco</b>	Batelco plans major mobile network upgrade
<b>Emirates NBD</b>	Emirates NBD reveals \$38.9mn exposure to Abraaj
<b>ADNOC</b>	ADNOC awards \$1.6bn seismic survey deals to China's CNPC
<b>GASCO</b>	Saudi's GASCO extends MoU with Oman's National Gas until Nov-end
<b>FIPCO</b>	FIPCO cancels SAR21mn bridge loan with Riyadh Bank
<b>TASNEE</b>	Tronox in talks to sell (TASNEE) Cristal's Ashtabula complex for \$1.1bn
<b>Al Masha'ar REIT</b>	Al Masha'ar REIT's net asset value stands at SAR5.7mn by Q2 2018 end

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	8,450.0	16.9%	1.6%	1.6%	\$545.4	19.1x
<b>ADX</b>	4,770.1	8.4%	4.6%	4.6%	\$129.6	12.8x
<b>DFM</b>	2,926.0	-13.2%	3.7%	3.7%	\$79.5	9.3x
<b>Nasdaq Dubai</b>	3,238.5	-1.5%	4.3%	4.3%	NP	NP
<b>Qatar</b>	9,420.7	10.5%	4.4%	4.4%	\$110.1	13.8x
<b>Bahrain</b>	1,354.7	1.7%	3.3%	3.3%	\$20.8	8.8x
<b>Oman</b>	4,448.3	-12.8%	-2.7%	-2.7%	\$13.3	10.8x

DISCLAIMER: The information provided in this newsletter is for information purposes only and should not be construed in any way as business, financial or investment advice nor as a recommendation to buy, sell, or hold any particular security. Iridium Advisors believes the information in this newsletter to be accurate, but does not verify its accuracy, timeliness, completeness for any particular purpose and/or non-infringement. Iridium Advisors does not bear any responsibility whatsoever to provide any updates, corrections or changes to the information in this document, nor will it accept liability for any damages or losses in connection with the use of this document.