

Worries of trade war to keep markets under pressure

The week ahead

Regional markets

GCC markets may open on a soft note, taking cues from the global markets. However, the gain in oil prices on Friday could somewhat limit the downside. Market participants expect some Saudi stocks to continue to trade with a positive bias ahead of the decision on its emerging market status by FTSE this week.

Global markets

It will be short a trading week with major global markets remaining closed on Friday owing to Good Friday holiday. Investors will closely watch China's response to the latest tariff announcement by POTUS on Friday. In terms of economic data, the week starts with Chicago Fed National Activity index on Monday, followed by Eurozone money supply and economic sentiment figures on Tuesday. On Wednesday, US personal consumption, home sales and Q4 GDP data will be published. On Thursday, German inflation and unemployment numbers will be released along with UK credit and money supply figures.

You may be asked about

The US Federal Reserve raised interest rate by 25bps last week, which was followed by GCC central banks. Saudi central bank had raised its repo and reverse repo rates a few days before the Fed announcement. This was the first time in several years that the central bank hiked its repo rate. In previous monetary updates, it only raised the reverse repo. Meanwhile, POTUS announced fresh tariffs on ~US\$60bn worth of Chinese imports. China announced tariffs on US\$3bn of US imports and mentioned it was considering further steps, including scaling back purchase of US treasuries.

Note to management

Bank of America Merrill Lynch's March 2018 survey of 201 investment managers representing US\$ 579 billion reveals a number of areas that are attracting pessimistic sentiment:

- 74% of investors believe the global economy is now in the "late-cycle" stage and possibly reaching its peak, with the next stage likely to be a downturn. This is the highest in the survey's 24-year history.
- 30% fear trade wars, topping the list of risks
- 23% fear rising inflation

On the positive side:

- 58% of investors expect global EPS to rise by more than 10 percent in the next 12 months

Click here to read the full story: [Link](#)

REGIONAL CALENDAR

26.03.2018	-	-
27.03.2018	-	-
28.03.2018	KSA Non-Oil Export Import	-
29.03.2018	KSA Weekly Money Supply	KSA Monthly Statistical Bulletin

GLOBAL CALENDAR

26.03.2018	US Chicago Fed National Activity Index	-
27.03.2018	Eurozone Business Climate	-
28.03.2018	US Q4 2017 GDP Data	Japan Retail Trade Data
29.03.2018	UK Q4 2017 GDP Data	Germany Consumer Inflation (Prelim)
30.03.2018	China Official PMI Data	UK Consumer Confidence

Food for thought

IR & BEYOND

CNBC	BofAML March Global Fund Manager Survey	Link
FAB	Aldar + Emaar: There's more to it than a JV	Link
Arab News	Oil rises on Saudi talk of extending output cuts into 2019	Link
Bloomberg	Trading desks: towards an augmented future	Link
Institutional Investors	The Bloodletting Isn't Over Yet for Active Managers	Link

IN CASE YOU MISSED IT . . .

Most GCC markets fell on weak global cues. Oman (-2%) led the fall in the region, followed by Bahrain (-1.6%). Dubai (-1.5%) fell to its lowest level in two years led by selling pressure in Emaar Properties and other stocks going ex-dividend. Qatar (-0.2%) closed marginally lower as some stocks went ex-dividend in the latter half of the week. On the other hand, Saudi Arabia (+0.2%) continued to trend higher on expectation of being upgraded to emerging market status. Abu Dhabi (+0.8%) outperformed the region, supported by real estate stocks. Meanwhile, US markets recorded the worst week in about two years with the Dow (-5.7%), S&P 500 (-6%) and Nasdaq (-6.5%) registering steep losses on worries of a possible trade war with China and a more hawkish tone by the Fed Chairman. Similar concerns impacted European markets as well with the FTSE 100 (-3.4%) and the Stoxx 600 (-3.2%) closing sharply lower.

FY 17 RESULTS	PROFIT (mn)	Y-O-Y%
Saudi Telecom Company	SAR 10,133	+13.9%
Saudi Electricity Co.	SAR 6,908	+52.0%
Al Othaim Markets Co.	SAR 449.5	+97.1%
Yanbu Cement Co	SAR 319	-39.4%
Eastern Province Cement	SAR 107	-52.9%
Saudi Chemical Co	SAR 142	+6.0%

BRENT SPOT PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
Oil (Brent)	6.40%	5.35%
Gold	2.52%	3.42%
MSCI GCC	0.84%	7.03%
Aluminum	-0.97%	-8.61%
US Treasury Yields	-2.25%	25.18%
FTSE 100	-3.38%	-9.96%
MSCI EM	-3.38%	1.18%
MSCI World	-4.42%	-2.66%
S&P 500	-5.95%	-3.19%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.81	-5	+40
UK	1.44	-8	+25
Germany	0.52	-13	+12
France	0.75	-17	-23
Italy	1.87	-19	-34
Switzerland	0.01	-5	+8
Japan	0.01	-3	-4
Hong Kong	1.87	-5	+32
India	7.55	-13	+72

COMMODITIES	WTD ↓	YTD
Oil (Brent)	6.40%	5.35%
Oil (WTI)	5.68%	9.04%
Gold	2.52%	3.42%
Natural Gas	-3.61%	-12.26%

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.

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GLOBAL AGENDA

US BEA	Releases Q4 2017 GDP Data
IMF Managing Director	Christine Lagarde delivers a speech in Berlin
BoE	Publishes the record of its Financial Policy Committee meeting
Saudi Crown Prince	Crown Prince and Saudi ministers to participate in the Saudi-US CEO Forum
UK ONS	Releases Q4 2017 GDP figures
FOMC Member	Bostic to deliver a speech at an economic policy conference in Atlanta
Brexit	EU and UK negotiators to discuss post-Brexit Irish border issues in Brussels
Earning Releases	Bank of China, Monsanto, BlackBerry, Electrobras
Good Friday	Many worldwide markets to remain closed on 30 th March 2018

MOST READ REGIONAL SECTOR HEADLINES

Banks	Saudi Arabia's central bank tweaks loan-deposit policy
Consumer Discretionary	Fawaz Al Hokair in talks for \$2.13bn loan
Energy	OPEC said to discuss changing gauge of success for oil cuts
Retail	Qatar's Al Meera Consumer Goods Company opens a new branch in Al Khor
REIT	Saudi CMA approves listing of Bonyan REIT units on Tadawul
Financials	Kingdom Holding Co. to revive talks for \$1bn loan
Transportation	Qatar Airways denies Air India bid plan
Materials	Advanced Petrochemical resumes ops at 2 plants after maintenance
Real Estate	Limited VAT impact on Dubai's RE sector: UAE Federal Tax Authority
Telecom	Zain KSA extends maturity of SR2.25bn loan

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Saudis still mulling international IPO for Aramco, Minister says
Saudi Investment Bank	Saudi Investment Bank makes SR 1bn sukuk placement
Aldar Properties	Aldar holders approve raising foreign ownership limit to 49%
Arabtec	Arabtec unit wins contract from Modon Properties in Abu Dhabi
Dana Gas	Dana Gas said to start individual talks to end Sukuk impasse
United Development	Qatar's United Development to launch island project in QR5.5bn expansion
Doha Bank	Doha Bank and Masraf Al Rayan to launch their second ETFs
First Abu Dhabi Bank	First Abu Dhabi Bank wins commercial banking license in Saudi Arabia
Batelco	Batelco to be divided into wholesale and retail units
DP World	DP World buys stakes in Peru container terminal, India logistics firm

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,840.94	8.5%	8.5%	5.7%	\$496.8	17.4x
ADX	4,577.84	4.1%	4.1%	-0.4%	\$126.26	11.8x
DFM	3,149.53	-6.5%	-6.5%	-2.9%	\$82.27	11.1x
Nasdaq Dubai	3,270.92	-0.5%	-0.5%	-1.5%	NA	NA
Qatar	8,825.7	3.5%	3.5%	2.0%	\$101.2	13.7x
Bahrain	1,333.91	0.2%	0.2%	-2.6%	\$20.7	8.9x
Oman	4,800.93	-5.9%	-5.9%	-4.0%	\$13.36	11.8x

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