

Earnings continue to set market direction this week

In case you missed it...

Regional markets closed mixed last week. Saudi Arabia (+3.6%) jumped amid a rally in banks with several of them reporting growth in 3Q 2019 earnings. Abu Dhabi (+1.4%) rose primarily on the back of an increase in FAB and Aldar. Dubai (+0.1%) edged up partly aided by gains in Emaar group companies. Qatar (-0.5%) as all market participants except foreign investors were net sellers. Oman (-0.4%) extended losses from the previous week. Kuwait (-0.2%) reversed its trend whereas Bahrain stood almost flat. In the US, the three main indices - Nasdaq Composite (+1.9%), S&P500 (+1.2%) and Dow Jones (+0.7%) - gained, buoyed largely by US corporate earnings beating estimates and positive reports on the US-China phase I trade deal. European indices ended firmly in the green; FTSE100 (+2.4%), DAX (+2.1%), STOXX600 (+1.6%) and CAC40 (+1.5%) all advanced.

The Week Ahead

Regional markets

Market participants in the Gulf region will continue to focus on corporate earnings releases. In the UAE, BoD meetings of Emirates NBD, Ajman Bank, ADCB, ADNOC and others will take place this week to discuss 9M financial performance. In addition, NCB of KSA, as well as a host of Qatari companies are scheduled to hold earnings call this week. Investors in the UAE will also ponder over finer details of the central bank's proposal to implement new measures to prevent banks' over-exposure to the real estate sector. Markets, meanwhile, might react positively to a rally in crude oil prices as Brent closed above \$60 per barrel.

Global markets

The US Fed meeting this week will be of interest to investors as the speculation of another interest rate cut is increasing. Investors will also focus on several economic releases such as the US and Eurozone's 3Q 2019 GDP, the US consumer confidence and new PMI data from China. Proceedings related to Brexit will also be keenly watched after the EU agreed to extend the Brexit deadline without setting a new date (current deadline: October 31). Meanwhile, several major US firms such as Apple, Facebook, Mastercard, GM and Exxon will release their 3Q 2019 financial performance.

You may be asked about

The Central Bank of Oman stated that a new cross-border payments platform for the GCC region is expected to go live by February 2020. The platform i.e. the GCC RTGS system will link RTGS systems of all GCC nations together to process and settle cross-border payments on a real-time basis. This new system will significantly lower processing time and cost of transactions and also enhance integration of the GCC financial markets. To facilitate smooth implementation of the system, GCC Payment Systems Company has been established, owned and funded by central banks of the six GCC countries. The annual GCC cross-border payments flows stand at over \$2 trillion executed through ~2.3 million transactions.

Note to management

The activists of Extinction Rebellion, the climate change pressure group, have had a busy couple of weeks. Thousands of their supporters have been arrested in a series of protests from Australia to Austria, from Switzerland to South Africa. Their non-violent protests paralysed cities, airports and business centres. Meanwhile, Mark Carney, Governor of the Bank of England, told a conference that companies "that fail to adapt (to climate change risk) will cease to exist." An unlikely alliance is emerging between protesters and wholesale finance. Read more [HERE](#)

REGIONAL CALENDAR

27.10.2019	KSA Real Estate Price Index	-
28.10.2019	Abu Dhabi Building Material Price Statistics	KSA Monthly Statistical Bulletin
31.10.2019	Abu Dhabi Statistical Yearbook	-

GLOBAL CALENDAR

28.10.2019	Tokyo Consumer Price Index	Chicago Fed Activity Index
29.10.2019	US Pending Home Sales	US Consumer Confidence
30.10.2019	US 3Q 2019 GDP	US Fed Interest Rate Decision
31.10.2019	Eurozone 3Q 2019 GDP	Japan Interest Rate Decision
01.11.2019	Caixin China Manufacturing PMI	US ISM Manufacturing PMI

Food for thought

IR & BEYOND

Iridium	An Unlikely Alliance of Rebels and Global Financial Markets	Link
Al Arabiya	Aramco IPO to shakeup Saudi market, long-term positive: Analysts	Link
Bloomberg Blog	Aramco said to explore incentives to reward loyal IPO buyers	Link
Institutional Investor	The Real Reason Value Has Been Lagging Growth	Link
The Economist	IPOs are a racket. But try finding something better [paywall]	Link

2H 2019 EVENTS CALENDAR

	DATE
Future Investment Initiative, RUH	29-31 OCT
GS CEEMEA Conference, LON	11-12 NOV
UBS GEMs Conference, NYC	3-5 DEC

BRENT FUTURES PRICE



EARNINGS CALENDAR

	Market	Est/ Conf	Date
Masraf Al Rayan	Qatar	C	27 OCT
Emirates NBD	UAE	C	28 OCT
NCB (Call)	KSA	C	29 OCT
Vodafone Qatar (Call)	Qatar	C	29 OCT
Ooredoo	Qatar	C	29 OCT
Jazeera Airways	Kuwait	C	29 OCT
Milaha (Call)	Qatar	C	30 OCT
Widam Food (Call)	Qatar	C	31 OCT
Industries Qatar (Call)	Qatar	C	31 OCT

Q3 RESULTS

	PROFIT (mn)	Y-O-Y%
FAB	AED 3,111.3	3.0%
Etisalat	AED 2,286.0	0.2%
DHBK	QAR 299.9	12.4%
QEWS	QAR 330.7	-3.8%
Saudi Telecom Co.	SAR 2,746.0	3.9%
SAFCO	SAR 414.2	-20.7%
CBQK	QAR 569.9	40.9%
Bank Albilad	SAR 326.6	37.8%
Burgan Bank	KWD 22.7	10.7%
Yansab	SAR 212.1	-70.9%

ASSET CLASS MONITOR	WTD ↓	YTD
Aluminium	4.38%	15.28%
Oil	2.43%	8.86%
FTSE 100	2.26%	1.31%
S&P 500	1.24%	16.70%
MSCI World	1.22%	20.57%
MSCI EM	1.15%	7.25%
Gold	0.98%	17.32%
US Treasury	0.00%	-32.24%
MSCI GCC	-1.04%	-8.48%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.79	10	-128
UK	0.68	16	-70
Germany	-0.37	22	-71
France	-0.07	23	-80
Italy	0.95	13	-249
Switzerland	-0.62	23	-53
Japan	-0.15	11	-25
Hong Kong	1.29	--	-94
India	6.5	-22	-137

COMMODITIES	WTD ↓	YTD
Oil (WTI)	5.36%	24.77%
Oil (Brent)	4.38%	15.28%
Gold	0.98%	17.32%
Natural Gas	-0.86%	-21.77%

About Iridium

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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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For more information contact:

Iridium Advisors DMCC
Pamela Chahine, Director
ir@iridium.ae
www.iridium.ae

GLOBAL AGENDA

US Federal Reserve	To meet to discuss the benchmark interest rate
BOE	To meet to decide the monetary policy
Saudi Arabia	To host the Future Investment Initiative (FII) Conference
U.S.	To meet Prime Minister Benjamin Netanyahu in Tel Aviv
India	PM Narendra Modi to meet Crown Prince Mohammed bin Salman at FII
ECB	Governing Council member Olli Rehn speaks at a conference in Helsinki
BOJ	To meet to decide monetary policy
Nordic	Prime Ministers of the Nordic region start a two-day summit in Stockholm
China	Communist Party holds its plenum - a full meeting of the Central Committee
Earning Releases	Facebook, Mastercard, GE, Pfizer, AT&T, Colgate, Sony, Airbus etc

MOST READ REGIONAL SECTOR HEADLINES

Energy	OPEC and allies to mull deeper oil cut amid worries over demand growth
Waste Management	PIF's subsidiary aims to recycle 85% of industrial waste in KSA
Ports	DP World reports lower quarterly global cargo volumes
Hotels	Occupancy at hotels in Abu Dhabi rise by 100 bps to 71% by Aug-19: JLL
Insurance	Oman's CMA launches health insurance database
Logistics	Dubai logistics firm Tristar's IPO expected within 2 to 3 years
Processed Foods	Saudi Arabia limits products purchase from BRF's unit in Abu Dhabi
Banks	UAE banks weighing proposed caps to property lending
Utility	Dubai's DEWA picks Fichtner for floating-solar consulting work
Airline	Qatar Airways to take record delivery of 40 planes in 2020

MOST READ REGIONAL COMPANY HEADLINES

Masdar	Wins bid to develop 100 MW solar power plant in Uzbekistan
Agility	Agility Public Warehousing invests \$267mn in Saudi Arabia
Majid Al Futtaim	To raise \$600mn with green Dollar Sukuk
RAKBANK	Posts 19.1% YoY rise in 3Q2019 net profit to AED284.6mn
Saudi Aramco	Reportedly pushing to complete IPO this year after delay
National Bank of Bahrain	Concludes due diligence for takeover of Bahrain Islamic Bank's shares
Mubadala	Plans to invest \$250mn through two funds in technology firms in MENA
Islamic Dev. Bank	Egyptian ministry's portfolio with the bank reached \$21.6bn
ACWA Power	Ethiopia picks ACWA Power for two 125 megawatt solar projects
Emirates NBD	Launches AED6.45bn rights issue

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,913.3	1.1%	-2.2%	-2.2%	\$501.3	19.7x
ADX	5,163.1	5.0%	2.1%	2.1%	\$141.7	15.4x
DFM	2,784.1	10.1%	0.1%	0.1%	\$77.0	11.7x
Nasdaq Dubai	3,197.6	4.0%	1.3%	1.3%	NP	NP
Qatar	10,377.9	0.8%	0.1%	0.1%	\$143.0	15.0x
Bahrain	1,526.4	14.1%	0.7%	0.7%	\$23.8	11.4x
Oman	3,989.6	-7.7%	-0.7%	-0.7%	\$13.1	8.1x

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