

Global geo-political and trade tensions easing

2Q 2018 IR CALENDAR

	DATE
BAML EM Credit Conference, MIA	30 MAY - 1 JUN
HSBC GEMs Conference, NYC	4 - 5 JUN
UBS LATEMEA 1x1 Conference, LON	26-28 JUN

IN CASE YOU MISSED IT ...

Regional markets ended mixed during the week. UAE markets were uplifted by government decisions to grant residency visas of up to 10 years to investors & professionals and allow 100% foreign investment in certain sectors. Abu Dhabi (+3.8%) was led by strength in First Abu Dhabi Bank; Dubai (+1.4%) also ended in the green. Qatar (+1.8%) also gained on news of a draft law to allow full foreign ownership of companies; Qatar Islamic Bank and Qatar National Bank were key weekly gainers. Saudi Arabia (+0.3%) rose modestly, although Kuwait (-1.3%), Oman (-1.2%) and Bahrain (-0.8%) ended in the red. In the US, S&P 500 (+0.3%) and Dow (+0.2%) edged up; NASDAQ (+1.1%) clocked notable gains. Europe reversed direction to post losses, with CAC 40 (-1.3%), DAX (-1.1%), Stoxx 600 (-0.9%) and FTSE 100 (-0.6%) edging down.

ASSET CLASS MONITOR

	WTD ↓	YTD
MSCI GCC	0.73%	9.13%
Gold	0.71%	-0.04%
S&P 500	0.31%	1.78%
MSCI EM	-0.10%	-1.88%
MSCI World	-0.43%	0.08%
US Treasury Yields	-0.52%	36.69%
FTSE 100	-0.62%	0.55%
Aluminum	-0.72%	1.74%
Oil (Brent)	-2.64%	14.31%

BRENT FUTURES PRICE



COMMODITIES

	WTD ↓	YTD
Natural Gas	3.23%	-0.47%
Gold	0.71%	-0.04%
Oil (Brent)	-2.64%	14.31%
Oil (WTI)	-4.77%	12.35%

The week ahead

Regional markets

The markets may remain more assured on the back of greater confidence-building measures on the geo-political and trade fronts, with North Korea expressing keenness for the Trump-Kim meeting to go ahead in June and China's stated intent to narrow its trade surplus with the US. Oil prices fell towards the end of last week, on speculation that Saudi Arabia and Russia are keen to enhance output, potentially by ~1mn/ bbl per day. With talk of an oil output increase, regional markets may not get firm support this week.

Global markets

The week begins with Japan's unemployment rate on Monday. On Tuesday, Japan's retail trade data and New Zealand's financial stability report will be preceded by US Home Price data. Wednesday will witness preliminary data on US GDP and core personal consumption expenditure, German CPI, UK consumer confidence data, and Bank of Canada's interest rate decision. On Thursday expect China's PMI, Eurozone's consumer inflation, 1Q GDP data on Canada and Switzerland, and US core personal consumption expenditure data. Friday will see US non-farm payrolls and unemployment rate.

You may be asked about

Last week, the UAE announced a law, likely to be effective from end-2018, to permit 100% foreign ownership in certain industries considered essential for the economy. Additionally, the UAE government's approval to grant 10-year visas to professionals in medicine, science and research, intends to attract more foreign investment. Shortly after, Qatar also announced progress on legislation to permit 100% foreign ownership of companies across all sectors. In listed companies, investors may hold up to 49% stake, or more, upon government approval. Qatar also seeks to offer unspecified incentives to drive foreign investment.

Note to management

Vision and value statements often languish in far-flung corners of the website. They are widely perceived to be PR window-dressing. But that is changing. Ten asset managers with a combined US\$8 trillion in AUMs agreed a common set of questions (examples below). How would you answer?

1. What does success look like, and how do you measure and review it?
2. How does your pay policy link to long term success?
3. How are your board discussions and agenda anchored to your purpose? Can you give some examples of how your purpose has changed your decisions?
4. What positive and negative impacts does your company have on society? How are you maintaining your 'license to operate'?
5. How are your people? Can you give examples of how you have responded to specific concerns?
6. Which external relationships are most important to achieving your purpose (e.g. customer, supplier, regulatory)? What key measures do you use to assess the strength of these?
7. [For Chairmen] How do you as a board know you are doing a good job?

If you have not been asked these questions yet, you will be soon. Read our article, published by *IR Magazine*, entitled "What Is Your Leitmotif, Mr. Chairman?" to learn more: [Link](#)

REGIONAL CALENDAR

28.05.2018	KSA Monthly Statistical Bulletin	KSA Non-Oil Export Import
31.05.2018	KSA Weekly Money Supply	KSA Household Health Survey

GLOBAL CALENDAR

28.05.2018	Japan Unemployment Rate Data	-
29.05.2018	US S&P/Case-Shiller Home Price Indices Data	Japan Retail Trade Data
30.05.2018	US Q1 2018 GDP (Preliminary) Data	Germany Consumer Inflation Data
31.05.2018	Chinese Official PMI Data	Eurozone Consumer Inflation Data
01.06.2018	US Non-farm Payrolls Data	US ISM Manufacturing PMI Data

Food for thought

IR & BEYOND

IR Magazine / Iridium	What Is Your Leitmotif, Mr. Chairman?	Link
EY	Anticipating and planning for geopolitical and regulatory changes	Link
EQS	Press Mailings: Address Journalists in Times of GDPR	Link
Bloomberg Blog	CFO as innovator: Managing the challenges of continuous change	Link
Institutional Investor	Jamie Dimon Is Not Messing Around	Link

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	2.93	-5	+68
UK	1.32	-18	+31
Germany	0.40	-19	+8
France	0.70	-11	-5
Italy	2.44	+71	+36
Switzerland	-0.05	-12	+12
Japan	0.03	-2	0
Hong Kong	2.11	+1	+93
India	7.80	+4	+115

GLOBAL AGENDA

Federal Reserve	Holds a meeting in Washington to discuss changes to the Volcker Rule
US	Releases non-farm payrolls and manufacturing PMI data
US-China Trade Talks	US Secretary of Commerce will travel to Beijing for more talks with China
ECB	ECB Executive Board member Mersch delivers a speech in Frankfurt
G7	G7 finance ministers and central bank governors meet in British Columbia
China	China's stock market joins MSCI's global indexes
German Chancellor	Angela Merkel speaks at the opening of Global Solutions Summit in Berlin
US & UK markets	Will be closed on Monday on account of holiday

MOST READ REGIONAL SECTOR HEADLINES

Banks	Abu Dhabi banks' net income reaches AED7.9bn during 1Q2018
Utilities	Saudi Electricity has SAR100mn new projects in Makkah
Energy	OPEC, Allies to mull new ways to measure oil stockpiles
Healthcare	Mouwasat launches pilot operations in Al Khobar hospital
Materials	SABIC to unveil new materials and solutions for packaging
Consumer Discretionary	Shaker Group's ESCO signs MoU with Signify
Financials	Kuwait Finance House sets up \$3bn Sukuk program
Telecom	Vodafone Qatar obtains \$250mn facility for network rollout
Real Estate	Union Properties gets shareholders' approval for AED1bn Sukuk
Transportation	Dubai Aerospace signs loan deal with Al Ahli Bank of Kuwait , First Abu Dhabi Bank & Noor Bank

MOST READ REGIONAL COMPANY HEADLINES

Doha Bank	Moody's downgrades Doha Bank; maintains outlook at 'Negative'
QIIB	Qatar International Islamic Bank set to open two more branches this year
Dana Gas	Dana Gas sees faster payments once Egypt starts LNG exports: CEO
DP World	Dubai's DP World to build new river ports in Serbia for EUR200mn
Saudi Aramco	Aramco awards contract for Haradh, Hawiyah projects
Alawwal Bank	Alawwal Bank, SABB merger may help RBS to sell stake, says S&P
Dar Al-Arkan	Dar Al-Arkan repays SAR 1.7bn Sukuk
Saudi Chemical	Saudi Chemical begins pills, liquids lines trial run at Hail plant
ADNOC	ADNOC eyes Asia Pacific markets with downstream expansion
Alizz Islamic Bank	Alizz Islamic Bank and Oman Arab Bank mull merger

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,037.8	11.2%	2.1%	-2.1%	\$521.1	18.5x
ADX	4,601.1	4.6%	0.3%	-1.5%	\$125.0	12.3x
DFM	2,954.5	-12.3%	-5.0%	-3.6%	\$78.1	9.5x
Nasdaq Dubai	3,179.9	-3.3%	-1.8%	-2.3%	NA	NA
Qatar	9,049.2	6.2%	5.5%	-0.7%	\$106.6	13.5x
Bahrain	1,263.1	-5.1%	-4.2%	0.4%	\$19.8	8.2x
Oman	4,564.5	-10.5%	-4.4%	-3.5%	\$12.8	11.6x

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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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