

Range-bound movement likely in regional markets

In case you missed it...

GCC markets closed on a mixed note. Qatar (+2.2%) climbed as domestic and foreign institutions provided buying support. Petrochemicals drove Saudi Arabia (+0.7%). Dubai (+0.6%) edged up, partly aided by Emirates NBD, which rose as DFM said it plans to launch an equity derivatives platform which will include the lender, among others. Abu Dhabi (+0.6%) was helped by gains in FAB, which issued additional Tier-I perpetual 6-year bonds worth \$570 million. Oman (-0.3%) slipped for a fourth straight week. Bahrain (-1.2%) reversed its previous week's gain. Kuwait (-3.2%) registered its biggest intraday fall since April on September 29. The US markets advanced on the back of bargain purchases, optimism over potential coronavirus treatments and some positive economic data. Dow Jones (+1.9%) stood as the top gainer, while S&P 500 and Nasdaq clocked identical gains (+1.5%, each). European indices also ended in the green, with CAC40 and STOXX600 producing matching returns (+2.0%, each), followed by DAX (+1.8%) and FTSE100 (+1.0%).

The Week Ahead

Regional markets

Positive closings of global equities, Saudi Arabia lowering tax on property deals, and Kuwait putting to rest speculation that it intends to devalue its currency are likely to buoy regional markets. Yet, the markets might witness range-bound movement due to a sharp decline in oil prices and demand from resurging Coronavirus fears worldwide as well as the possibility of a rise in oil supply going forward. This week, Tabreed shareholders will consider authorizing its BoD for bonds/sukuk issuance up to \$1 billion.

Global markets

Global investors can expect another layer of uncertainty this week due to ambiguity related to the US fiscal stimulus and President Donald Trump's Covid-19 diagnosis. However, the drop in the US unemployment rate to 7.9% in September, from 8.4% in August, could have a positive impact on market sentiment. During the week investors will look for the Fed Chair Powell's and ECB President Lagarde's speech to gauge the economic situation.

You may be asked about

To prop up the real estate sector and ease the burden on citizens who want to buy homes, Saudi Arabia has passed a royal decree exempting real estate transactions from the 15% value-added tax (VAT). According to the decision, the kingdom will levy a new 5% tax on the property deals, and the government will bear the cost of the latest Real Estate Transaction Tax for up to SAR1 million (\$266,616) for Saudis buying their first house. The kingdom's housing minister said that the move would aid the government in achieving the target of increasing Saudi homeownership to 70% by 2030.

Note to management

This year's third-quarter results season will likely be one of the most dramatic ever. In the coming days, the world's listed companies will start reporting how they have fared over perhaps the most extraordinary nine months in living memory. Why should GCC companies worry about this? Because the confidence in public companies, in particular the credibility of their management teams, is most at risk in moments of crisis. Read our viewpoint [HERE](#)

REGIONAL CALENDAR

06.10.2020	Abu Dhabi Consumer Inflation	-
08.10.2020	KSA Weekly Money Supply	-

GLOBAL CALENDAR

05.10.2020	Eurozone Retail Sales	US ISM Services PMI
06.10.2020	Germany Factory Orders	UK Markit Construction PMI
07.10.2020	Japan Leading Economic Index	US FOMC Minutes
08.10.2020	Germany Trade Balance	Japan Eco Watchers Survey
09.10.2020	China Caixin Services PMI	UK Industrial Production

Food for thought

IR & BEYOND

Arabian Business/ Iridium	Why a lack of earnings calls should alarm GCC capital markets	Link
Zawya	Shareholders vote to dissolve Dubai's Arabtec	Link
Citywire	Lazard AM portfolio manager exits to join \$382bn SWF	Link
Arab News	Saudi Arabia brings in lower property tax to boost sector	Link
Institutional Investor	Active Funds Dominate ESG – But Their Market Share Is Slipping	Link

2H 2020 Conference Calendar	Date	Location
HSBC GEMs Forum	6-16 OCT	Virtual
Morgan Stanley KSA Conference	2-3 NOV	Virtual

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
MSCI EM	2.13%	-2.96%
Gold	2.06%	25.21%
MSCI World	1.60%	-0.20%
S&P 500	1.52%	3.64%
FTSE 100	1.02%	-21.75%
MSCI GCC	0.19%	-8.74%
Aluminium	-0.20%	-5.25%
Oil	-6.32%	-40.50%
US Treasury	-10.00%	-94.19%

COMMODITIES	WTD ↓	YTD
Natural Gas	13.98%	11.38%
Gold	2.06%	25.21%
Oil (Brent)	-6.32%	-40.50%
Oil (WTI)	-7.95%	-39.32%

Sunday, 04.10.2020

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.7	7	-83
UK	0.24	1	-22
Germany	-0.54	-5	5
France	-0.26	-6	3
Italy	0.78	-19	-4
Switzerland	-0.54	-1	28
Japan	0.01	-2	22
Hong Kong	0.35	-	-
India	5.99	10	-62

GLOBAL AGENDA

OPEC	To publish the World Oil Outlook
Fed Chairman	Jerome Powell to deliver keynote addresses at the NABE conference
ECB	President Christine Lagarde to participate in a panel discussion
Germany	Chancellor Angela Merkel to speak at a German industry event in Berlin
BOE	Governor Andrew Bailey to speak at Single Resolution Board conference
IMF	To release the analytical chapters of its World Economic Outlook
Norway	Central Bank Governor Oystein Olsen to speak in Oslo
Ukraine	President Volodymyr Zelenskiy to meet with top EU officials
South Africa	Ruling party to meet to discuss a proposed economic recovery plan
NABE	To holds its 62nd annual meeting, virtually

MOST READ REGIONAL SECTOR HEADLINES

Oil & Gas	Value of Saudi Arabia's oil exports fall 46% YoY in July
Real Estate	'Lingering oversupply' to impact Dubai real estate recovery: S&P
Banking & Finance	UAE private bank deposits rise 1.4% QoQ in 2Q 2020
Aviation	Sanad, Etihad Airways expand \$900mn partnership
Tourism	Saudi Tourism Development Fund, banks sign deal for up to \$43bn projects
Insurance	Dubai Insurance says it has not signed agreement with Israel's Harel
Power	S&P lowers Oman Electricity Transmission to 'B'; with Negative outlook
Telecom	Zain Saudi raises \$1.6bn Islamic loan
Agriculture	Oman's annual wheat production rises 132%
Ports	Passenger fee at Saudi ports rises by five-fold

MOST READ REGIONAL COMPANY HEADLINES

ADCB	To exit China, focus on home market
Saudi Aramco	Boosts Propane, Butane prices for Asia in October
Arabtec	Shareholders vote to liquidate the Dubai construction firm
ADIB-Egypt	Sees changes in shareholding structure
Union Properties	UPP mulls to acquire 40% stake in Dubai Autodrome
Al Bareeq Holding	CMA approves Al Bareeq Holding's listing on DFM
FAB	Issues \$750mn benchmark Tier 1 six-year bond
ADNOC	ADNOC L&S signs 25-year deal to service all petroleum ports in Abu Dhabi
Bank ABC	Starts due diligence on BLOM Bank Egypt
OOMCO	Signs deal with Al Madina Logistics

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,295.1	-1.1%	0.0%	0.0%	\$2,455.4	30.2x
ADX	4,492.0	-11.5%	-0.6%	-0.6%	\$181.0	16.4x
DFM	2,265.7	-18.1%	-0.3%	-0.3%	\$65.8	8.6x
Nasdaq Dubai	2,742.2	-13.9%	-0.6%	-0.6%	NP	NP
Qatar	10,005.9	-4.0%	0.2%	0.2%	\$144.3	16.2x
Bahrain	1,432.5	-11.0%	-0.1%	-0.1%	\$21.8	13.3x
Oman	3,614.6	-9.2%	0.0%	0.0%	\$11.0	10.7x
Kuwait	6,020.8	-13.7%	0.0%	0.0%	\$76.5	20.4x

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We advance the science and practice of investor relations to help organizations and leaders unlock potential.

If you would like to learn about Iridium's investor relations consulting services or our artificial intelligence, advanced analytics and alternative data platform, please don't hesitate to get in touch. We are always here to help.

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