

## Likely OPEC+ meeting this week to be in focus

### In case you missed it...

GCC markets ended mostly in the red last week. Dubai (-4.8%) fell the most, weighed down by Emaar and banking stocks. Kuwait (-4.5%) declined, following a cut in the government's credit rating by S&P, and was closely followed by Oman (-4.4%) and Bahrain (-4.2%). Abu Dhabi (-0.3%) slipped, hurt by FAB and Etisalat. Qatar (-0.2%) fell marginally as the selling from local investors outweighed buying from foreign investors. However, Saudi Arabia (+6.7%) advanced as crude oil prices climbed on comments from the US President that he expects the Kingdom and Russia to reach a deal soon to end price war. The US indices - Dow Jones (-2.7%), S&P 500 (-2.1%) and Nasdaq Composite (-1.7%) - ended in the negative zone after White House officials warned that death tolls from the pandemic could reach -1/4 of a million. A much worse than expected March jobs report, which showed the first decline since September 2010, also added to the weakness. European indices also closed lower; CAC40 (-4.5%) preceded FTSE100 (-1.7%), DAX (-1.1%), and STOXX600 (-0.6%).

### The Week Ahead

#### Regional markets

Regional markets are likely to open on a mixed note. The crude oil prices last week posted their largest ever weekly increases (Brent: +36.8% WoW) which might lift market sentiment, although it may be offset by news reports that a meeting between Saudi and Russia scheduled tomorrow has been postponed due to a new spat. Furthermore, latest unconfirmed reports suggesting the meeting to be held on April 8 or 9 will keep markets volatile. Meanwhile, pandemic related worries might remain a drag as Dubai announced a new two-week, 24-hour restriction of public movement. This week, TAQA will hold a BoD meeting to discuss the acquisition of ADPC's assets while Aramex will hold its AGM.

#### Global markets

Global markets are expected to experience another week of volatility and uncertainty as worldwide COVID-19 cases crossed 1 million and financial markets approach bear territory. Moreover, with the jobless claims in the US soaring to 6.6 million, market participants will focus on industrial production in Germany and the UK, and consumer sentiment in the US to get a better read on business demand.

#### You may be asked about

Moody's Investors Service put Kuwait's credit ratings on review for a downgrade, factoring in deterioration in the government's debt repaying ability caused by the sharp dip in crude oil prices and spread of the COVID-19 pandemic. Moody's estimated that Kuwait's budget deficit will reach -28% of FY 2020/21 GDP in the absence of further measures to control the economic damage. The potential damage of the Kuwaiti government's spending capacity also prompted the ratings agency to place on review for downgrade the long-term deposit ratings of National Bank of Kuwait and Kuwait Finance House. Moody's also placed Oman's 'Ba2' issuer rating under review for downgrade, citing an increase in economic vulnerability and liquidity risks arising from the above-mentioned factors.

#### Note to management

The COVID-19 crisis has had many unforeseen outcomes: a climate bonus amid falling carbon emissions and demand; the exacerbation of an oil price war; and the making (and breaking) of company reputations. Global investors see these trends, and ask which companies are best placed to benefit. New analysis has revealed that firms with high ESG standards are outperforming their low-ESG peers. For the Middle East, this should be a loud alarm bell. Read our viewpoint [HERE](#)

#### REGIONAL CALENDAR

09.04.2020 KSA Weekly Money Supply -

#### GLOBAL CALENDAR

06.04.2020	Japan Household Spending	Germany Factory Orders
07.04.2020	Germany Industrial Production	US Consumer Credit Change
08.04.2020	US FOMC Minutes	Japan Eco Watchers Survey
09.04.2020	US Michigan Consumer Sentiment Index	UK Industrial Production
10.04.2020	US Consumer Inflation	China Consumer Inflation

#### Food for thought

##### IR & BEYOND

<b>IR Magazine / Iridium</b>	<b>ESG Stocks Prove Their Value During Covid-19 Crisis</b>	<a href="#">Link</a>
Moody's	Moody's changes outlook on five GCC banking systems to negative	<a href="#">Link</a>
Bloomberg Blog	The world's most-profitable hedge fund is now a climate radical	<a href="#">Link</a>
IPE	PRI launches signatory COVID-19 investor response groups	<a href="#">Link</a>
Goldman Sachs	Top of mind: Oil's seismic shock	<a href="#">Link</a>

Q4 RESULTS	PROFIT (mn)	Y-O-Y%
Methaq Takaful Insu. Co. *	AED3,885.1	-74.8%
Saudi Research and Mark.*	SAR246.1	+190.9%
Emaar Development*	AED2,700.1	-30.8%
Emaar Malls*	AED2,285.6	+2.5%
Amlak Finance*	-AED321.5	NM
Manazel*	AED240.6	+4.3%

\*Annual Results

#### BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
US Treasury	233.33%	-93.55%
Oil	36.82%	-48.32%
MSCI GCC	2.82%	-22.33%
Gold	-0.45%	6.82%
MSCI EM	-1.28%	-25.38%
FTSE 100	-1.72%	-28.20%
S&P 500	-2.08%	-22.97%
MSCI World	-2.58%	-24.75%
Aluminium	-3.59%	-19.31%

COMMODITIES	WTD ↓	YTD
Oil (Brent)	36.82%	-48.32%
Oil (WTI)	31.75%	-53.59%
Gold	-0.45%	6.82%
Natural Gas	-0.80%	-25.95%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.59	-46	-192
UK	0.3	-6	-78
Germany	-0.45	20	-44
France	0.06	39	-30
Italy	1.54	53	-97
Switzerland	-0.4	48	-3
Japan	-0.02	12	3
Hong Kong	0.54	-13	-89
India	6.3	7	-

## GLOBAL AGENDA

<b>EU</b>	Finance ministers to meet on a video call
<b>EIA</b>	To release crude oil inventory report
<b>FOMC</b>	To releases the minutes from its special March 15 meeting
<b>OPEC+</b>	Plans a virtual meeting in a bid to stabilize oil prices
<b>Bank of Korea</b>	To release policy decision and briefing
<b>China</b>	Plans to ease the mass quarantine in Wuhan
<b>Wall Street banks</b>	To submit capital plans and stress test data to the Fed
<b>India</b>	To release Markit PMI composite data
<b>Kenya</b>	National Assembly to hold a special sitting
<b>Earnings announcements</b>	Smiths Group, Levi Strauss, Raytron Technology, Tesco, Wirecard etc.

## MOST READ REGIONAL SECTOR HEADLINES

<b>Bank</b>	SAMA asks banks to restructure financing without extra fees
<b>Real Estate</b>	COVID-19 to drive steeper decline in property prices in Dubai: S&P
<b>Oil &amp; Gas</b>	Russia, Saudi not holding oil talks at the moment: Kremlin spokesman
<b>Airline</b>	Dubai to inject fresh capital in Emirates airline
<b>Insurance</b>	Coronavirus, low oil prices threaten GCC insurers' earnings: S&P
<b>Telecom</b>	UAE telecom subscribers hit 23.67mn in 2019
<b>Agriculture</b>	Saudi Arabia's wheat strategic reserves exceed 1mn tons
<b>Chemical</b>	GCC chemical capacity to increase nearly 34% this decade: GPCA
<b>Cement</b>	Qatar National Cement halt operations at two factories due to COVID-19
<b>Tourism</b>	Dubai braces for financial hit as COVID-19 batters vital tourism

## MOST READ REGIONAL COMPANY HEADLINES

<b>Saudi Aramco</b>	Reportedly tells service firms to support its oil output hike
<b>Flydubai</b>	To cut employee salaries for three months over coronavirus
<b>Emaar Properties</b>	Pauses construction of downtown Dubai tower
<b>Dana Gas</b>	Plans demerger of upstream, midstream businesses
<b>Gulf Marine Services</b>	Abu Dhabi's Gulf Marine Services reaches debt restructuring deal
<b>First Abu Dhabi Bank</b>	S&P cuts First Abu Dhabi Bank's outlook to 'Negative'
<b>ADNOC</b>	New proposed changes will set 2021 dividend distribution at -\$700mn
<b>Ajman Bank</b>	No layoffs this year, says Ajman Bank
<b>Limitless</b>	Dubai-based Limitless seeks advisers for restructuring - document
<b>Etisalat</b>	Offers free internet video, voice calls for two months

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	6,749.7	-19.5%	2.7%	2.7%	\$2,139.3	19.2x
<b>ADX</b>	3,758.4	-26.0%	0.6%	0.6%	\$111.4	11.0x
<b>DFM</b>	1,722.9	-37.7%	-2.7%	-2.7%	\$51.8	6.3x
<b>Nasdaq Dubai</b>	2,120.3	-33.4%	-0.7%	-0.7%	NP	NP
<b>Qatar</b>	8,458.3	-18.9%	3.1%	3.1%	\$118.3	12.5x
<b>Bahrain</b>	1,329.8	-17.4%	-1.5%	-1.5%	\$20.6	9.5x
<b>Oman</b>	3,383.5	-15.0%	-2.4%	-2.4%	\$10.7	6.8x

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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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