

Earnings announcements to direct market course

In case you missed it...

Last week, Saudi Arabia (+1.4%) maintained its positive momentum following the extension of various Covid-19 related government support initiatives in the week prior and reports that the Kingdom is pressing ahead with sizeable investment plans for its capital, Riyadh. Qatar (+1.1%) gained as its cabinet approved a resolution to increase the percentage of Qataris working at state-owned firms. Dubai (+1.0%) rose, led by gains in financials and property shares, with Bahrain (+0.9%) following closely. Kuwait (+0.1%) inched up. Abu Dhabi (-0.4%) was partially hurt by FAB. Oman (-0.5%) slipped further. The US markets advanced for a second straight week, mainly driven by technology stocks and partly supported by optimism over a potential Covid-19 treatment. Nasdaq Composite (+4.0%) stood as the top gainer, followed by S&P 500 (+1.8%) and Dow Jones (+1.0%). Europe indices, however, ended mixed, with DAX (+0.8%) and STOXX600 (+0.4%) rising while CAC40 (-0.7%) and FTSE100 (-1.0%) were weakening.

The Week Ahead

Regional markets

With the 2Q 2020 earnings season commencing, investors are likely to shift focus to earnings announcements to gain a better insight into the extent of damage inflicted by the Covid-19 lockdown across countries and industry sectors. This week, BoD of QNB, QIB, Nakilat, Zain Bahrain and others will meet to discuss their second quarter's financial performance. Meanwhile, markets might react positively to the IEA's latest Oil Market Report in which it has revised up 2020 oil demand estimates and expects slight market tightening with an increase in OPEC+ compliance of production cut deal in June.

Global markets

Resurgence in Covid-19 cases in some parts of the world and imposition of another lockdown in some countries are starting to cast doubts over the economic recovery. Accordingly, the investment community is likely to be cautious while taking any position in the market. Analysts and investors will look for the interest rate decision by the ECB and GDP data of China this week.

You may be asked about

The UAE carried out major government reshuffling last week as it tries to revive its economy hurt by Covid-19 lockdown and low oil prices. Within two years, the government intends to close half of its service centers and move their operations online. Four entities, including Federal Water & Electricity Authority and Emirates Post, were placed under the Emirates Investment Authority. Further, the infrastructure and energy ministries have been combined and will be headed by the energy minister Suhail Al Mazrouei. Also as part of the reshuffle, ADNOC's chief, Dr. Sultan Al Jaber, was appointed as the minister of Industry & Advanced Technology though he is set to retain his post at ADNOC.

EARNINGS CALENDAR

	Market	Est/ Conf	Date
Masraf Al Rayan	QAT	E	13 Jul
Gulf Int'l Chemicals*	OMAN	E	14 Jul
Nakilat	QAT	C	16 Jul
QIB	QAT	E	15 Jul
QNB*	QAT	C	15 Jul
Woqod*	QAT	C	16 Jul
QEWC*	QAT	E	21 Jul
Etisalat*	UAE	E	22 Jul
Mobily*	KSA	E	22 Jul
Saudi Telecom	KSA	E	22 Jul

* Earnings Call

BRENT FUTURES PRICE



ASSET CLASS MONITOR

	WTD ↓	YTD
Aluminium	4.30%	-8.34%
MSCI EM	3.50%	-4.07%
S&P 500	1.76%	-1.42%
MSCI World	1.74%	-4.15%
Gold	1.28%	18.55%
Oil	1.03%	-34.48%
MSCI GCC	0.50%	-15.02%
FTSE 100	-1.01%	-19.19%
US Treasury	-7.14%	-91.61%

COMMODITIES

	WTD ↓	YTD
Natural Gas	4.09%	-17.54%
Gold	1.28%	18.55%
Oil (Brent)	1.03%	-34.48%
Oil (WTI)	-0.25%	-33.59%

REGIONAL CALENDAR

13.07.2020	Abu Dhabi Consumer Inflation	-
16.07.2020	KSA Weekly Money Supply	-

GLOBAL CALENDAR

13.07.2020	UK BRC Like-For-Like Retail Sales	UK BoE Governor Bailey speech
14.07.2020	Eurozone Bank Lending Survey	US Consumer Inflation
15.07.2020	Japan BoJ Interest Rate Decision	UK Consumer Inflation
16.07.2020	Eurozone ECB Interest Rate Decision	China GDP
17.07.2020	Eurozone Consumer Inflation	US Consumer Sentiment Index

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,416.7	-11.6%	2.7%	2.7%	\$2,275.3	22.3x
ADX	4,295.5	-15.4%	0.2%	0.2%	\$160.2	13.8x
DFM	2,082.2	-24.7%	0.8%	0.8%	\$60.7	6.3x
Nasdaq Dubai	2,528.6	-20.6%	0.3%	0.3%	NP	NP
Qatar	9,316.4	-10.6%	3.5%	3.5%	\$133.5	14.7x
Bahrain	1,286.3	-20.1%	0.7%	0.7%	\$19.5	9.6x
Oman	3,494.0	-12.2%	-0.6%	-0.6%	\$11.2	9.9x
Kuwait	5,604.1	-19.7%	-0.1%	-0.1%	\$69.2	13.5x

Sunday, 12.07.2020

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.64	-2	-149
UK	0.15	-4	-68
Germany	-0.47	-5	-24
France	-0.15	-14	-16
Italy	1.22	-27	-47
Switzerland	-0.52	-4	4
Japan	0.00	1	15
Hong Kong	0.26	-	-106
India	5.76	-3	-73

GLOBAL AGENDA

OPEC+	To decide whether to extend its full production cutback
ECB	To publish its bank-lending survey
Dallas Fed President	Robert Kaplan to discuss Covid19 testing and the economic recovery
BoE	Governor Andrew Bailey to speak on a webinar
EIA	To release crude oil inventory report
Japan	Defense ministry to brief the media on its "Defense of Japan" white paper
Germany	To publish ZEW survey expectations data
South Africa	Reserve Bank to publish its quarterly bulletin for the first quarter
India	To release wholesale inflation data
Earnings	JPMorgan, Bank of America, Wells Fargo, Goldman Sachs, BNY Mellon etc.

MOST READ REGIONAL SECTOR HEADLINES

Oil & Gas	OPEC's Middle East oil flows shrink further as output cuts deepen
Telecommunication	Zain Saudi, Mobily to invite offers for telecom towers
Banking	Moody's: COVID-19, low oil price to hit GCC banks' profitability
Construction	GlobalData: MENA construction output to drop significantly
Pharmaceutical	Saudi Arabia's biggest pharmacy firm Nahdi in early talks for IPO
Insurance	Allianz Saudi Fransi's rights issue 93.8% subscribed
Energy	TAQA agrees financing for UAE's largest gas-fired power plant
Food	Dubai sugar refinery runs at full speed on good demand
Airlines	Airfares not expected to increase from Oman
Entertainment	DXB Entertainments to re-open theme parks in September.

MOST READ REGIONAL COMPANY HEADLINES

SABB	Sets up local Sukuk program
SABIC	Chief pours cold water on Clariant merger speculation
Dana Gas	Asks Sukuk investors to disclose holdings
ADQ	Abu Dhabi's ADQ shores up liquidity with up to \$3bn club loan
Amlak	Saudi home financier Amlak's IPO covered 7.67 times at close
KIB	Kuwait's KIB obtains central bank's initial approval for Sukuk issuance
Ooredoo Qatar	Reaches 500,000 mobile postpaid customers
Riyad Bank	Fitch affirms Riyad Bank at 'BBB+'; with a Stable outlook
ADIB	Raises foreign ownership to 40%
SHUAA	Sees opportunities in Saudi Arabia's property market

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