

## Weakness in energy prices weighs on markets

### In case you missed it...

The rising trend of most of the GCC markets halted last week, except Saudi Arabia (+1.1%) which advanced as its Finance Minister said the Kingdom's economy will perform better than the IMF's predictions this year. Oman (-1.6%), meanwhile, fell the most, followed closely by Bahrain (-1.5%). Abu Dhabi and Qatar clocked identical losses (-0.7%, each), primarily dragged down by decline in financials. Kuwait and Dubai also booked similar losses (-0.5%, each), with the Dubai PMI showing non-oil private sector activity slowed in August from July. In the US, Nasdaq Composite (-4.1%), S&P 500 (-2.5%) and Dow Jones (-1.7%) extended their last week's slide. Nasdaq posted its sharpest weekly loss since March as investors continued to offload technology stocks on overvaluation concerns. A deteriorating US-China trade relationship and US politicians failing to come up with a new coronavirus rescue package added to the weakness. European indices, however, closed higher despite ongoing Brexit concerns. FTSE100 (+4.0%) gained the most, followed by DAX (+2.8%), STOXX600 (+1.7%) and CAC40 (+1.4%).

### The Week Ahead

#### Regional markets

Regional markets could experience more pessimism. The sharp fall in crude oil prices last week, amidst an unabated rise of new coronavirus cases in several major economies around the globe, indicates that a quick recovery in global economic activity is unlikely. Investors will also ponder over a news report suggesting the UAE, OPEC's third largest producer, exceeded its oil production quota in August which has the potential to jeopardize OPEC+ unity in production cuts. This week, IQCD will hold its EGM to approve a 25% stake purchase in Qafco.

#### Global markets

In the week ahead, investor sentiment is likely to remain subdued because of the unchanged stimulus program of the ECB and the failed stimulus package in the US senate. Meanwhile, the decision of the UK parliament regarding Brexit could dictate the direction of the market. On the economic data front, the week will witness UK unemployment rate data, economic projections by the US' FOMC, and the US Fed's interest rate decision.

### You may be asked about

An official at the US Department of State has expressed optimism that the Saudi Arabia-led blockade of Qatar since 2017 may end 'within weeks'. Assistant secretary of Near Eastern affairs at the US Department, David Schenker cited signs of increased flexibility in negotiations as the reason behind his expectations. He, however, called for caution saying that there has not been any "fundamental shifts" in talks yet regarding the blockade. Schenker also noted that the US has been involved in efforts to end the siege at the highest level, including the President Donald Trump and Secretary of State Mike Pompeo.

### Note to management

IHS Markit studied how Investor Relations can be a competitive advantage for a listed company similar to great products, talent, science, assets or operations. The study focuses on Investor Relations programs that are best-in-class, tries to explain what makes these public companies stand above the rest, and aims to understand how companies can maximize valuations, thereby creating a lower cost of capital and a competitive business advantage. Read the report [HERE](#).

2H 2020 Conference Calendar	Date	Location
Citi GEMs Conference	10-17 SEP	Virtual
MEIRA Conference	22-23 SEP	Virtual
EFG Investor Conference	22-30 SEP	Virtual
HSBC GEMs Forum	6-16 OCT	Virtual
Morgan Stanley KSA Conference	2-3 NOV	Virtual

### BRENT FUTURES PRICE



COMMODITIES	WTD ↓	YTD
Gold	0.34%	27.90%
Oil (WTI)	-6.14%	-38.86%
Oil (Brent)	-6.63%	-39.65%
Natural Gas	-12.33%	3.65%

ASSET CLASS MONITOR	WTD ↓	YTD
FTSE 100	4.02%	-20.02%
Gold	0.34%	27.90%
US Treasury	0.00%	-92.90%
MSCI GCC	-0.16%	-9.73%
Aluminium	-0.37%	-2.95%
MSCI EM	-0.70%	-2.05%
MSCI World	-1.24%	0.13%
S&P 500	-2.51%	3.41%
Oil	-6.63%	-39.65%

### REGIONAL CALENDAR

13.09.2020 Abu Dhabi Consumer Inflation -

### GLOBAL CALENDAR

14.09.2020	Japan Industrial Production	Eurozone Industrial Production
15.09.2020	China Retail Sales	China Industrial Production
16.09.2020	UK Consumer Inflation	US Retail Sales
17.09.2020	Japan Interest Rate Decision	UK Interest Rate Decision
18.09.2020	US Michigan Consumer Sentiment Index	UK Retail Sales

## Food for thought

### IR & BEYOND

IHS Markit	Investor Relations is a Competitive Advantage	<a href="#">Link</a>
Bloomberg Blog	Vanguard's soon-to-be \$1 trillion fund fueled by investor revolt	<a href="#">Link</a>
Institutional Investor	BoA Adopts AI, Finds 'More Significant Credit Stresses' From Covid-19	<a href="#">Link</a>
Funds Global MENA	GCC managers face profits pressure, warns Moody's	<a href="#">Link</a>
Arabian Business	GCC investor sentiment rebounds after Q2 coronavirus hit	<a href="#">Link</a>

Sunday, 13.09.2020

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.67	-1	-111
UK	0.18	-6	-49
Germany	-0.48	-3	4
France	-0.19	-1	5
Italy	0.98	2	12
Switzerland	-0.51	-1	29
Japan	0.02	-2	24
Hong Kong	0.32	-	-
India	6.04	18	-61

## GLOBAL AGENDA

<b>OPEC</b>	To publish monthly oil market report with demand & production estimates
<b>ECB</b>	Chief Economist Philip Lane to participate in fireside chat hosted by SUERF
<b>Japan</b>	Liberal Democratic Party to vote for a leader to replace PM Shinzo Abe
<b>Russia</b>	To host around 20 nations for multilateral military exercises
<b>FOMC</b>	To gather for a two-day policy meeting
<b>EIA</b>	To publish crude oil inventory report
<b>OECD</b>	To present new economic forecasts for G-20 economies
<b>BoE</b>	To release interest rate decision
<b>Economic Club of NY</b>	To host a webinar with Larry Kudlow, President's top economic adviser
<b>China</b>	To publish industrial production data

## MOST READ REGIONAL SECTOR HEADLINES

<b>Oil &amp; Gas</b>	OPEC+ may discuss underperformers this month: RIA
<b>Real Estate</b>	Dubai property sale transactions grow in August
<b>Banking &amp; Finance</b>	CBO announces new policy measures to support economic revival
<b>Aviation</b>	Emirates airline to restore full salaries of its employees from October
<b>Tourism</b>	Saudi Arabia to establish global academy for tourism training.
<b>Automobile</b>	Dubai to raise electric, hybrid vehicles to 30% by 2030
<b>Fintech</b>	Middle East's Fintech market poised for growth despite COVID-19: KPMG
<b>Telecom</b>	TRA of Oman initiates market review exercise
<b>Renewable Energy</b>	KSA's ACWA Power completed funding for Dubai's 900 MW solar project
<b>Ports</b>	Container movement through Qatari ports grew 4% YoY in August 2020

## MOST READ REGIONAL COMPANY HEADLINES

<b>Leejam</b>	Saudi's Leejam presses ahead with new gym openings
<b>FAB</b>	Reportedly plans to restart talks to buy Bank Audi's unit in Egypt
<b>KIB</b>	Denies takeover rumors
<b>Tabreed</b>	Dubai-listed Tabreed plans to sell \$1bn bonds
<b>SABIC</b>	Raised \$1bn through dual-tranche bonds
<b>BRES</b>	Signed QAR800mn financing agreement with Barwa Bank
<b>Saudi Aramco</b>	Shelves \$20bn petrochemical plan after oil's crash
<b>ADNOC</b>	ADNOC's October oil cuts could be aimed at lifting Murban price: FGE
<b>EDB</b>	UAE cabinet restructures Emirates Development Bank board
<b>Boubyan Bank</b>	Fitch affirms Boubyan Bank at 'A+'; with a Stable outlook

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	8,135.2	-3.0%	12.6%	9.1%	\$2,442.6	29.7x
<b>ADX</b>	4,519.1	-11.0%	5.4%	5.0%	\$180.3	16.5x
<b>DFM</b>	2,270.5	-17.9%	9.9%	10.7%	\$65.8	8.6x
<b>Nasdaq Dubai</b>	2,745.7	-13.8%	8.9%	8.3%	NP	NP
<b>Qatar</b>	9,763.8	-6.3%	8.5%	4.2%	\$139.8	15.9x
<b>Bahrain</b>	1,389.7	-13.7%	8.8%	7.7%	\$21.1	12.9x
<b>Oman</b>	3,686.3	-7.4%	4.8%	3.3%	\$11.4	10.9x
<b>Kuwait</b>	5,835.7	-16.3%	4.1%	7.8%	\$73.5	19.8x

DISCLAIMER: The information provided in this newsletter is for information purposes only and should not be construed in any way as business, financial or investment advice nor as a recommendation to buy, sell, or hold any particular security. Iridium Advisors believes the information in this newsletter to be accurate, but does not verify its accuracy, timeliness, completeness for any particular purpose and/or non-infringement. Iridium Advisors does not bear any responsibility whatsoever to provide any updates, corrections or changes to the information in this document, nor will it accept liability for any damages or losses in connection with the use of this document.

## About Iridium

Iridium is the GCC region's leading IR specialist.

We advance the science and practice of investor relations to help organizations and leaders protect downside, close gaps and unlock future potential.

We hope you enjoy IR Brief. We are always here to help you advance your IR activities. Please don't hesitate to let us know if we can be of assistance in any way.

For more information, please contact:

Iridium Advisors DMCC  
 Pamela Chahine, Director  
 ir@iridium.ae  
[www.iridium.ae](http://www.iridium.ae)  
 +971 4 429 5864