

Subdued activity likely as earnings season ends

In case you missed it...

GCC markets ended higher last week, barring Oman (-0.1%). Kuwait (+3.1%) rose for a third straight week. Saudi Arabia (+2.7%) was driven by gains in banks and Aramco. Aramco, despite reporting lower 2Q net profit, remained committed to pay \$75 billion in dividends. Dubai (+2.3%) reached its highest since 09 June, partly supported by Emirates NBD which is in initial talks to acquire Lebanon's Blom Bank stake in Blom Bank Egypt. Qatar (+2.0%) was primarily boosted by energy sector stocks. Bahrain (+1.7%) recovered its previous week's loss. Abu Dhabi (+0.6%) edged up. The US indices maintained their positive momentum mainly owing to significantly better than expected US economic data, a slowdown in new COVID-19 cases and optimism towards development of a new coronavirus vaccine. The Dow (+1.8%) increased the most, followed by S&P 500 (+0.6%) and Nasdaq Composite (+0.1%). In Europe, DAX (+1.8%), CAC40 (+1.5%), STOXX600 (+1.2%) and FTSE100 (+1.0%) all closed in the green.

The Week Ahead

Regional markets

The GCC markets should witness relative calm this week as the majority of companies across the region have concluded the 2Q 2020 reporting cycle. Accordingly, investors are likely to shift their attention towards regional and global macroeconomic developments, where US-China relation is still the most pressing issue next to Covid-19. Markets, however, could find some support from stable crude oil prices which remained firm last week despite the IEA and OPEC lowering their oil demand outlook. This week, Ezdan Holding, GFH Financial Group, Jazeera Airways, QOIC and Qatar Cinema will host earnings call.

Global markets

Investors' sentiments are likely to remain high this week on the back of steady virus infected patients and a surprising increase in the US inflation. On the economic data front, Japan will report GDP data and industrial production information. Moreover, the focus will be on the US FOMC minutes and Markit services PMI of the UK and Eurozone.

You may be asked about

GCC sovereign borrowers are expected to raise \$34 billion this year through Sukuk issuances as compared to \$25 billion in 2019. This increase will be driven by low oil prices and the economic slowdown caused by COVID-19 pandemic, Moody's Investors Service said. Saudi Arabia is expected to have the lion's share of these issuances, with the Kingdom forecasted to raise \$27 billion this year, up \$8 billion from 2019, as per Moody's. The ratings agency also said that in 1H 2020, while global Sukuk issuances decreased 12% to \$77.4 billion, issuances from the six GCC countries grew 7% to \$28.5 billion.

EARNINGS CALENDAR	Market	Est/Conf	Date
QCFS*	QAT	C	16 Aug
GFH*	KUW	C	16 Aug
Ezdan*	QAT	C	16 Aug
RAK Petroleum	UAE	C	17 Aug
Zad Holding*	QAT	C	17 Aug
Maharah*	KSA	E	17 Aug
Jazeera Airways*	KUW	C	17 Aug
Mesaieed*	QAT	C	17 Aug
Network International	UAE	C	18 Aug

*Earnings Calls

Q2 RESULTS	PROFIT (mn)	Y-O-Y%
Aldar Properties	AED483.4	+2.7%
Islamic Arab Insurance Co.	AED26.3	+50.7%
International Holdings Co.	AED670.3	NM
ADIB*	AED587.6	-52.2%
EIBANK	-AED14.8	NM
ARNB	SAR486.0	-45.6%
SABIC^	-SAR2.22	NM
Jarir Marketing Co.	SAR208.4	+23.2%
Saudi Cement Co.	SAR74.5	-19.3%
National Medical Care Co.	SAR25.8	+86.6%
Saudi Aramco^	SAR24.6	-73.4%

*1H value, ^in bn

BRENT FUTURES PRICE



COMMODITIES	WTD ↓	YTD
Natural Gas	5.27%	7.63%
Oil (WTI)	1.92%	-31.20%
Oil (Brent)	0.90%	-32.12%
Gold	-4.44%	28.20%

REGIONAL CALENDAR

20.08.2020	KSA Weekly Money Supply	-
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GLOBAL CALENDAR

17.08.2020	Japan Industrial Production	Japan GDP
18.08.2020	US Housing Starts	Japan Trade Balance
19.08.2020	UK Consumer Inflation	US FOMC Minutes
20.08.2020	Germany Producer Price Index	Eurozone Construction Output
21.08.2020	UK Markit Services PMI	Eurozone Markit Services PMI

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,704.3	-8.2%	6.6%	3.3%	\$2,300.5	25.3x
ADX	4,386.7	-13.6%	2.4%	1.9%	\$175.0	15.9x
DFM	2,155.4	-22.0%	4.4%	5.1%	\$62.6	7.6x
Nasdaq Dubai	2,640.9	-17.1%	4.8%	4.1%	NP	NP
Qatar	9,602.5	-7.9%	6.7%	2.5%	\$137.0	15.6x
Bahrain	1,311.3	-18.6%	2.6%	1.6%	\$19.9	12.2x
Oman	3,565.2	-10.4%	1.4%	-0.1%	\$10.9	5.1x
Kuwait	5,652.9	-19.0%	0.8%	4.4%	\$69.8	15.9x

Sunday, 16.08.2020

ASSET CLASS MONITOR

	WTD ↓	YTD
MSCI GCC	2.63%	-12.68%
MSCI World	1.09%	0.74%
FTSE 100	0.96%	-19.26%
Oil	0.90%	-32.12%
S&P 500	0.64%	4.40%
MSCI EM	0.35%	-1.93%
US Treasury	0.00%	-93.55%
Aluminium	-0.80%	-3.86%
Gold	-4.44%	28.20%

SOVEREIGN YIELDS (10YR)

	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.71	8	-82
UK	0.24	8	-16
Germany	-0.42	2	29
France	-0.13	1	31
Italy	0.98	-21	-34
Switzerland	-0.49	-1	69
Japan	0.04	2	28
Hong Kong	0.27	-	-
India	5.95	13	-68

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For more information contact:

Iridium Advisors DMCC
 Pamela Chahine, Director
 ir@iridium.ae
www.iridium.ae
 +971 4 429 5864

GLOBAL AGENDA

OPEC+	Ministers to meet online to review strategies for poor compliance
EIA	To publish crude oil inventory report
EU	To hold sixth round of talks on a trade deal with the UK
ECB	To release account of monetary policy meeting of the Governing Council
UK	To publish public sector net borrowing
Indonesia	Bank of Indonesia to release rate decision
FOMC	To release minutes of meeting
Serbia	President Aleksandar Vucic to hold 2nd round of government forming talks
Atlanta Fed President	Raphael Bostic to discuss inclusive innovation at a virtual event
Earnings	Walmart, Alibaba, JD.com, Target, Webjet, Nvidia, Alcon, BHP Group etc.

MOST READ REGIONAL SECTOR HEADLINES

Oil & Gas	UAE and Saudi re-affirm full compliance to OPEC+ deal
Real Estate	Dubai's ready home sales continue to improve in July
Banking & Finance	CBUAE decides on additional measures within TESS
Airlines	Abu Dhabi's Etihad Airways loses \$758mn in first half
Telecom	TRA of Oman amends rules to prevent anti-competitive behavior
Insurance	Saudi Walaa Insurance ink SAR9.53mn deal with Advanced Petrochemical
Healthcare	NMC Health \$275mn rescue financing faces creditor opposition
Energy	Oman's largest solar power plant to start operation next year
Tourism	Saudi Arabia's tourism landmark Al Ula signs agreement with Accor
Automobile	Qatar's automobile sector witnesses strong rebound MoM in June

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Plans further spending cuts to pay for dividend
GWCS	Calls off proposal to indirectly acquire Spick and Span Cleaning Services
Derayah Financial	Among Saudi derivatives exchange members
International Holdings	To acquire stakes in four companies
NBO	New CEO to join from August 16
Samba Financial	Gets license for Dubai's DIFC branch
SABIC	Posts 3rd straight quarterly loss, forecasts more of the same in second half
Union Properties	Completes debt restructuring with Emirates NBD
WOQOD	Opens Al Mazrouah new WOQOD petrol station & FAHES
Shamal Az-Zour	Kuwait's Shamal Az-Zour to list on stock exchange on August 16

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