

## GCC markets likely to carry on positive momentum

### In case you missed it...

GCC markets closed in the green last week, except Bahrain (-0.9%). Saudi Arabia (+1.6%) moved further up as banks gained in the wake of the release of Saudi Aramco's IPO prospectus. Kuwait (+1.2%) reversed its previous week's loss whereas Oman (+1.1%) retained its uptrend. Qatar (+0.9%) rose primarily on the back of banking stocks. Dubai (+0.1%) was partly supported by Emirates NBD which advanced ~2.2% after it sold shares in Network International Holdings for \$204.74 million. Abu Dhabi (+0.1%) clocked identical gain. The US markets swayed during the week primarily over conflicting reports about the progress of the phase I trade deal between the US and China but managed to eke-out a weekly gain. The Dow Jones (+1.2%) rose for a fourth successive week. S&P 500 (+0.9%) and Nasdaq Composite (+0.8%) also added to the prior week's gain. The European indices mostly ended higher. CAC40 (+0.8%), STOXX600 (+0.2%) and DAX (+0.1%) edged higher. FTSE100 (-0.8%), however, slipped.

### The Week Ahead

#### Regional markets

Regional markets are likely to build upon last week's gain, buoyed by sustained strength in crude oil prices as Brent rose for a second successive week, amid optimism in global equity markets. Saudi might positively react to reports that global indices compilers MSCI, S&P Dow Jones and FTSE Russell could fast track inclusion of Saudi Aramco into their indices. Saudi Aramco, meanwhile, is due to announce its IPO pricing. In the UAE, ADIB's BoD will meet to discuss increasing limits of non-UAE locals' ownership of its shares. Dana Gas' BoD will meet to discuss 2020 budget and 5-year business plan while Al Buhaira National Insurance BoD will discuss 9M financial performance.

#### Global markets

This week, investors will focus heavily on macroeconomic data such as Germany's GDP growth, interest rate decision from PBoC, the UK inflation report and ECB monetary policy meeting. Market participants will also look for the US existing home sales and business outlook survey to gauge the direction of economy. Moreover, car registration data from the UK and Germany will indicate the profitability of automobile companies.

### You may be asked about

Moody's has lowered its outlook on global sovereign creditworthiness to 'Negative' from 'Stable', citing a "disruptive and unpredictable" global political environment as the reason, which it said increases the risk of economic and financial shocks. Moody's report on the 142 sovereigns it rates, encompassing \$63.2 trillion of debt outstanding, stated that growth and credit risks are tilted to the downside. The report highlighted that ongoing turbulence, such as, trade dispute between the US and China, the US and the EU, political tensions in the Gulf, Britain and the EU, India and Pakistan, aggravates slowdown trend in the GDP. Moody's now expects G20 economies to clock ~2.6% growth in 2020 (vs. 3% in 2018).

#### REGIONAL CALENDAR

17.11.2019	Abu Dhabi Consumer Inflation	-
19.11.2019	KSA Consumer Inflation	KSA Economic Indicators Survey
20.11.2019	KSA Wholesale Inflation	-

#### GLOBAL CALENDAR

18.11.2019	Eurozone Financial Stability Review	US NAHB Housing Market Index
19.11.2019	Japan Merchandise Trade Balance	US Housing Starts
20.11.2019	China Interest Rate Decision	UK Inflation Report
21.11.2019	Eurozone Monetary Policy Meeting	US Initial Jobless Claims
22.11.2019	Germany GDP	Eurozone Markit PMI Composite

### Food for thought

#### IR & BEYOND

Harvard Law	CEO Chairman. Two Jobs, One Person	<a href="#">Link</a>
Bloomberg	Saudi Arabia Cuts Aramco Valuation, Boosts Loans to Get IPO Done	<a href="#">Link</a>
Arab News	IPO transparency on the factors that could make shares go down, as well as up	<a href="#">Link</a>
IPE	Norway's SWF blacklists UK's G4S, shedding €77.6m of its shares	<a href="#">Link</a>
Reuters	Egypt issues dollar-denominated eurobonds worth \$2 billion	<a href="#">Link</a>

#### 2H 2019 EVENTS CALENDAR

DATE
UBS GEMs Conference, NYC
3-5 DEC

#### EARNINGS CALENDAR

Market	Est/Conf	Date
Renaissance Services (call)	Oman	C
Orascom Construction	UAE	C
		18 NOV
		21 NOV

#### BRENT FUTURES PRICE



#### Q3 RESULTS

	PROFIT (mn)	Y-O-Y%
Middle East Healthcare	SAR33.2	64.8%
Alandalus Property Co.	SAR14.6	15.6%
Air Arabia	AED471.3	64.1%
Aldar Properties	AED400	-7.9%
Dubai National Insurance	AED46.6	0.2%
Union Insurance Company	AED25.2	79.4%
Emaar Malls	AED601.7	12.1%
Damac Properties Dubai	AED51.0	-77.9%
National Marine Dredging	AED49.3	6.1%
Emirates Insurance Co.	AED11.4	-63.9%
CBI	AED31.4	-47.9%
ADIB	AED619.8	5.2%

#### ASSET CLASS MONITOR

	WTD ↓	YTD
US Treasury	1.29%	-35.92%
MSCI GCC	1.02%	1.07%
Oil	0.74%	17.04%
Gold	0.68%	14.54%
S&P 500	0.03%	23.42%
MSCI World	-0.25%	18.92%
FTSE 100	-0.48%	8.86%
MSCI EM	-1.97%	8.08%
Aluminium	-4.76%	-6.88%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.83	9	-123
UK	0.73	2	-68
Germany	-0.34	5	-70
France	-0.03	8	-78
Italy	1.23	31	-226
Switzerland	-0.56	8	-49
Japan	-0.09	9	-18
Hong Kong	1.57	-	-66
India	6.52	-	-127

COMMODITIES	WTD ↓	YTD
Oil (Brent)	0.74%	17.04%
Oil (WTI)	0.70%	26.93%
Gold	0.68%	14.54%
Natural Gas	-4.34%	-9.25%

## 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.

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### For more information contact:

Iridium Advisors DMCC  
Pamela Chahine, Director  
ir@iridium.ae  
www.iridium.ae

## GLOBAL AGENDA

ECB	To publish the account of its October monetary policy meeting
South Korean President	To hold a televised town hall event
European Affair Ministers	To discuss the bloc's budget
NATO Foreign Ministers	To meet in Brussels
Sweden's Central Bank	To publish its financial stability report
Cleveland Fed President	To participate in a financial stability conference
Japan	Foreign Minister to preside over the G-20 foreign ministers meeting
Former Fed Chair Yellen	To speak at the World Business Forum
EU	Trade ministers to meet in Brussels
OECD	To publish its economic outlook

## MOST READ REGIONAL SECTOR HEADLINES

Construction	Pinsent Masons survey: Qatar's construction sector outlook bullish
Aviation	Dubai airport passenger traffic falls 2.4% in third quarter
Energy	ADNOC aims to make its Murban futures contract a replacement for Brent
Financial	CEO: IPO of Kuwait stock exchange will be oversubscribed
Food & beverages	Brazil says Saudi Arabia approved eight new beef exporting plants
Telecom	Ooredoo unplugs world's first mobile data plan management system
Bank	Dubai Islamic Bank hires banks for dollar sukuk
Fertilizer	Al-Kaabi: QAFCO is world's largest single-site producer of ammonia & urea
Hotel	STR: Riyadh-based hotels witness jump in demand in October
Tourism	GCC to earn ~\$1.2bn revenue from Russian tourists by 2023

## MOST READ REGIONAL COMPANY HEADLINES

Qatar Petroleum	Announces successful startup of refinery venture in Egypt
EIBANK	Net profit narrows to AED0.3mn in 3Q2019
ADIB	Posts 5.2% YoY rise in net profit to AED619.8mn in 3Q2019
Dana Gas	Collections increase 16.7% to \$230mn in first nine months of 2019
DP World	DP World signs agreement to develop business park in Namibia
TAQA	CFO: TAQA forecasts AED1.9bn capex for 2019
KHCB	Post net loss of BHD5.4mn in 3Q2019
Saudi Aramco	Russia's Lukoil does not plan to invest in Saudi Aramco's IPO
ADNOC	Extends deadline for exploration bids until year end
Masdar	Acquires stake in India's renewable energy firm

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,924.2	1.2%	-2.1%	-2.1%	\$503.7	20.4x
ADX	5,137.6	4.5%	1.6%	1.6%	\$139.9	15.8x
DFM	2,701.5	6.8%	-2.9%	-2.9%	\$73.0	10.5x
Nasdaq Dubai	3,140.2	2.1%	-0.5%	-0.5%	NP	NP
Qatar	10,363.2	0.6%	0.0%	0.0%	\$140.6	15.0x
Bahrain	1,505.0	12.5%	-0.8%	-0.8%	\$23.5	11.3x
Oman	4,083.9	-5.5%	1.6%	1.6%	\$13.3	7.6x

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