

Markets to focus on 1Q 2020 earnings reports

In case you missed it...

GCC markets ended mixed last week. Kuwait (+4.3%) recovered its previous week's loss, whereas Oman (+1.9%) added to its gains of last week. Dubai (+1.6%) advanced, supported by ENBD and Emaar as bargain buying from market participants lifted stocks earlier last week, followed by Bahrain (+1.0%). Saudi Arabia (-5.3%) was hurt by continued weakness in oil prices as the forecast of worldwide recession by the IMF added to oil demand woes. Qatar (-4.6%) fell on selling pressure from foreign institutions and local retail investors. Abu Dhabi (-3.5%) was partially dragged down by FAB. In the US, Nasdaq Composite (+6.1%), S&P 500 (+3.0%) and Dow Jones (+2.2%) strengthened for another week. News reports that an experimental drug for COVID-19 has promising results and the US President announcing guidelines to reopen the economy buoyed markets. European indices closed mixed; while DAX (+0.6%) and STOXX600 (+0.5%) rose slightly, FTSE100 (-1.0%) and CAC40 (-0.2%) slipped.

The Week Ahead

Regional markets

Regional markets this week will take cues from earnings and management discussion reports to guesstimate the peril of COVID-19 on the economy. This week, Emirates NBD, Etisalat, du, EIB, QEWC, CBQK, and Vodafone Qatar among others are expected to publish 1Q 2020 results and host earnings call. In addition, Saudi Airlines Catering, Amlak, Ajman Bank, AUB, Bahrain Cinema and others will hold shareholder meetings to discuss dividend, bonus, debt issuance etc. Meanwhile, the unabated weakening in crude oil prices is expected to weigh on markets. Although Bloomberg reported that Russia and KSA may go for further production cuts, prospects of a dip in demand far outpacing supply cuts and global crude storage hitting capacity is likely to remain a drag on oil prices.

Global markets

With more signs of economic damage due to COVID-19 global markets continue to witness subdued sentiments. The IMF expects the worst economic downturn since the great depression and a contraction in global growth. Moreover, the focus this week will be on earnings of companies and market participants will closely watch manufacturing PMI in the US, the UK and Eurozone.

You may be asked about

The IMF has forecasted in its latest World Economic Outlook report that the global economy this year will witness its worst downturn since the Great Depression of the 1930s. Accordingly, it predicted the world economy to contract by 3% in 2020, a sharp contrast as compared to 3.3% growth predicted in January 2020. Crude oil dependent GCC region is forecasted to fare even worse with the oil prices spiralling down to multi-year lows. The GCC nations are expected to post an aggregate negative growth of 3.9% in 2020, according to the IMF. Moreover, every country in the MENA region, except Egypt, is predicted to contract in 2020.

REGIONAL CALENDAR

19.04.2020	KSA International Trade	-
23.04.2020	KSA Weekly Money Supply	-

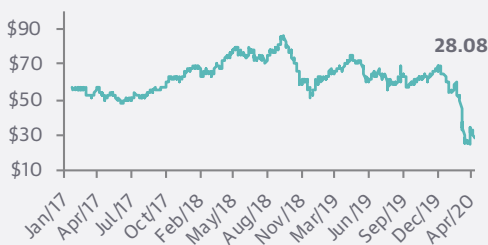
GLOBAL CALENDAR

20.04.2020	China Interest Rate Decision	Eurozone Trade Balance
21.04.2020	UK Unemployment Rate	Germany Economic Sentiment
22.04.2020	UK Consumer Inflation	US Housing Price Index
23.04.2020	US Markit Manufacturing PMI	Japan Unemployment Rate
24.04.2020	Japan All Industry Activity Index	Germany Business Climate

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	6,631.7	-20.9%	1.9%	1.9%	\$2,046.1	18.4x
ADX	3,969.5	-21.8%	6.3%	6.3%	\$117.8	11.1x
DFM	1,859.8	-32.7%	5.0%	5.0%	\$55.3	6.8x
Nasdaq Dubai	2,267.8	-28.8%	6.2%	6.2%	NP	NP
Qatar	8,576.3	-17.7%	4.5%	4.5%	\$119.1	12.7x
Bahrain	1,313.0	-18.5%	-2.8%	-2.8%	\$20.3	9.4x
Oman	3,539.5	-11.1%	2.6%	2.6%	\$11.3	7.4x

Q1 RESULTS	PROFIT (mn)	Y-O-Y%
QNB Group*	QAR3,585	-0.3%
Sohar Power Co.	OMR5.1	+56.0%
BKDB	OMR8.8	-30.2%
Ooredoo	OMR5.4	-36.5%
QIBK	QAR687.5	+0.3%
QFLS	QAR226.1	-30.8%

BRENT FUTURES PRICE



ASSET CLASS MONITOR	WTD ↓	YTD
Aluminium	3.78%	-17.62%
S&P 500	3.04%	-11.03%
MSCI World	2.21%	-15.03%
MSCI EM	1.48%	-19.14%
Gold	-0.82%	10.91%
FTSE 100	-0.95%	-23.27%
MSCI GCC	-4.10%	-22.48%
Oil	-10.80%	-57.45%
US Treasury	-52.00%	-92.26%

COMMODITIES	WTD ↓	YTD
Natural Gas	1.15%	-19.92%
Gold	-0.82%	10.91%
Oil (Brent)	-10.80%	-57.45%
Oil (WTI)	-19.73%	-70.08%

SOVEREIGN YIELDS (10YR)	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.64	-55	-192
UK	0.3	-49	-89
Germany	-0.48	-24	-50
France	0.02	-32	-34
Italy	1.79	-64	-81
Switzerland	-0.53	-14	-18
Japan	0.01	-5	5
Hong Kong	0.5	-28	-
India	6.34	5	-

GLOBAL AGENDA

UK	To hold the second round of negotiations with the EU for Brexit
ECB	Governing Council member Yannis Stournaras to speak at an e-event
EIA	To publish crude oil inventory report
Russia	Bank of Russia to declare rate decision
Macau	Chief Executive Ho Iat-seng to give his annual policy address
EU	Leaders to hold a video conference to discuss response to the Covid-19
US	To publish new home sales data
Ukraine	Set to release monetary policy
South Korea	To issue GDP data
Earnings announcements	Credit Suisse, Intel, Netflix, SAP, Blackstone, Nasdaq, Capital One etc

MOST READ REGIONAL SECTOR HEADLINES

Bank	SAMA extend ATM cards validity, suspend freezing of bank accounts
Real Estate	Dubai 1Q2020 property transactions exceed expectations
Oil & Gas	Saudi Arabia, Russia, US welcome outcome of OPEC+ meeting: SPA
Airline	UAE carriers' cargo operations soar on perishables, medical supplies
Port	Saudi Arabia's Ports Authority signs \$1.9bn deal with SGP
Telecom	Saudi Telecom extends Vodafone Egypt stake purchase process by 90 days
Power	Saudi Electricity seeks to borrow as much as \$2.7bn
Petrochemical	Saudi's Advanced Petrochemical plans to raise up to \$400mn
Healthcare	NMC Health lenders form group to lead talks on \$6.6bn debt
Travel & Tourism	Travel & tourism contributed 8.6% to Middle East economy in 2019

MOST READ REGIONAL COMPANY HEADLINES

Saudi Aramco	Delays oil pricing statement as OPEC+ talks continue
IsDB	In talks with Tunisia on \$279mn loan
Ma'aden	To focus on preserving cash instead of shareholder payout
Boursa Kuwait	Postpones initial date to list its shares
Mobily	Shareholders approve refinancing agreement
HSBC Bank Oman	Says exposure to NMC Healthcare about \$16mn
Julphar	Shareholders approve capital restructuring
Flydubai	Says will resume operations when time is right
Oman Air	Customers can re-book for travel up to 18 months
KFH	Postpones AUB deal process until December

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