

## Markets to witness low activity during Eid holidays

### In case you missed it...

GCC markets ended higher last week, except for Oman (-0.4%). Kuwait (+5.4%) was closely followed by Saudi Arabia (+5.0%), which got a boost from upbeat corporate earnings and an increase in oil prices. Bahrain (+2.4%) preceded Dubai (+2.3%), which was supported by Emirates NBD. Qatar (+1.6%) was driven by gains in banking sector stocks. Abu Dhabi (+1.1%) was aided by FAB which advanced after saying it will not acquire the Egyptian business of Lebanon's Bank Audi. The US indices moved up as investors ignored simmering tensions between the US and China and poor economic data, including the report of another 2.4 million job losses last week. The markets were buoyed by many US states working to reopen the economy, a potential Covid-19 vaccine and assurance from the Fed to continue supporting the economy. Nasdaq Composite (+3.4%), Dow Jones (+3.3%) and S&P 500 (+3.2%) posted similar returns. European indices also clocked attractive gains, as DAX (+5.8%), CAC40 (+3.9%), STOXX600 (+3.6%) and FTSE100 (+3.3%) all rose.

### The Week Ahead

#### Regional markets

Regional markets will witness limited activity this week as all of them will remain closed for at least three days until 26 May 2020 on account of the Eid al Fitr holiday. Saudi Arabia and Qatar will remain closed for the entire week. Upon opening, global developments will mostly decide the market course where the US-China tensions and relaxations in Covid-19 lockdown worldwide are likely to be the key catalysts. This week BoD of RAK Cement will meet to discuss 1Q 2020 results.

#### Global markets

Globally, countries are further lifting lockdown implemented due to COVID-19 outbreak to push economies. The markets' sentiments are turning positive with progress towards vaccine development along with easing of lockdown. The main data points to look for this week are GDP figures of the US and Germany. Moreover, investors will keenly watch business climate and harmonized index of consumer prices in Germany, the US new home sales and consumer confidence data and Eurozone's financial stability review report. Market participants will also focus on a constant stream of earnings results.

#### You may be asked about

Moody's has given 'Aa2' ratings to Abu Dhabi, UAE and Kuwait in its 'Emerging Market Chartbook 2020', making them the highest rated emerging market sovereigns despite the ongoing coronavirus pandemic. In comparison, the ratings agency rated Saudi Arabia's sovereign as 'A1' while Sharjah has been separately rated at 'Baa2'. All of Moody's A and B ratings are investment grade. The 2020 outlook for the above four sovereigns are 'Stable'. Data from the chartbook showed rated entities in the UAE stood at 44, with over 60% of them having a 'Stable' outlook. In Saudi Arabia, 24 entities were rated and 90% of them carry a 'Stable' outlook for 2020.

#### Note to management

Recent weeks have seen some huge asset purchases; some giant sell transactions; and quite a lot of transactions being shelved. How these management decisions are judged in hindsight hinges on one key element: timing. If management gets the timing of the transaction right, they will be heroes. Get it wrong and zeroes status awaits. Read our thoughts on the subject [HERE](#).

#### REGIONAL CALENDAR

26.05.2020	Abu Dhabi Building Material Price Statistic	-
30.05.2020	Abu Dhabi Bank Statistics	-

#### GLOBAL CALENDAR

25.05.2020	Japan Leading Economic Index	Germany GDP
26.05.2020	US Consumer Confidence	US New Home Sales
27.05.2020	Eurozone Financial Stability Review	US MBA Mortgage Applications
28.05.2020	Japan Industrial Production	US GDP
29.05.2020	Germany Retail Sales	Eurozone Consumer Inflation

### Food for thought

#### IR & BEYOND

<b>IR Magazine / Iridium</b>	<b>Buy, sell or do nothing? Timing is everything.</b>	<a href="#">Link</a>
HIS Markit	Demystifying AI for IR: New E-Book Available	<a href="#">Link</a>
Institutional Investor	The II Fear Index: GDP Is as Scary as the Virus	<a href="#">Link</a>
Bloomberg Blog	Aramco is first oil major to regain pre-price-war share price	<a href="#">Link</a>
CNBC	70% of Dubai companies expect to go out of business within 6 months	<a href="#">Link</a>

#### EARNINGS CALENDAR

Company	Market	Est/Conf	Date
Abu Dhabi Aviation Co	UAE	C	30 May

#### Q1 RESULTS

Company	PROFIT (mn)	Y-O-Y%
BSFR	SAR682	-25.6%
ALBI	SAR270	-5.2%
SAMBA	SAR1,274	+19.6%
RIBL	SAR1,476	-0.6%
SIBC	SAR150.7	-46.4%
Saudi Cement Co.	SAR147.6	+11.5%

#### BRENT FUTURES PRICE



#### ASSET CLASS MONITOR

Asset Class	WTD ↓	YTD
Oil	8.09%	-46.77%
MSCI GCC	4.44%	-18.56%
FTSE 100	3.34%	-20.54%
S&P 500	3.20%	-8.52%
MSCI World	2.84%	-12.97%
Aluminium	2.83%	-18.14%
MSCI EM	0.45%	-18.79%
US Treasury	0.00%	-92.26%
Gold	-0.52%	14.33%

## COMMODITIES

	WTD ↓	YTD
Oil (WTI)	12.98%	-45.55%
Oil (Brent)	8.09%	-46.77%
Natural Gas	5.16%	-20.92%
Gold	-0.52%	14.33%

## SOVEREIGN YIELDS (10YR)

	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.66	6	-166
UK	0.17	-12	-78
Germany	-0.49	-6	-37
France	-0.04	-11	-32
Italy	1.59	-39	-104
Switzerland	-0.56	-10	-11
Japan	-0.02	-	-
Hong Kong	0.49	-	-
India	5.74	-32	-

## 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.

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## GLOBAL AGENDA

<b>EIA</b>	To release crude oil inventory report
<b>US</b>	The New York Stock Exchange to partially reopen its trading floor
<b>China</b>	Premier to give a speech to close the National People's Congress in Beijing
<b>European Commission</b>	Scheduled to release a proposal for a recovery fund
<b>IIF</b>	To live-streams its IIF European Conference
<b>Singapore</b>	Parliament to meet & is expected to announce a fourth stimulus package
<b>Israel</b>	Prime Minister Benjamin Netanyahu to face trial in Jerusalem
<b>ECB</b>	Governing Council member Ignazio Visco to speak in Rome
<b>St. Louis Fed President</b>	James Bullard to take part in a webinar hosted by the C.D. Howe Institute
<b>Earnings announcements</b>	Dell, HP, Suzuki Motor, Yamaha, Isuzu Motors, Nissan Motor, Nikon etc.

## MOST READ REGIONAL SECTOR HEADLINES

<b>Oil &amp; Gas</b>	OPEC Chief optimistic that the worst of oil crisis is over
<b>Banks</b>	UAE banks can defer both principal and interest of customers
<b>Healthcare</b>	Dallah Healthcare to acquire majority stake in Care Shield Holding
<b>Real Estate</b>	Plans finalized for migrant workers' housing projects in Madinah
<b>Chemicals</b>	Oman-owned chemicals firm eyes new capacity growth in 2021
<b>Telecommunication</b>	UAE's TRA highlights increase in e-commerce activities
<b>Power</b>	Liquidity crunch hits power and water firms in Oman.
<b>Automobile</b>	UAE auto sales start picking up
<b>Tourism</b>	Domestic tourism and travel in UAE to drive post-Covid GCC recovery
<b>Insurance</b>	Motor insurance claims jump 11% in 1Q 2020 in Oman

## MOST READ REGIONAL COMPANY HEADLINES

<b>FAB</b>	Stops potential acquisition of Bank Audi's Egyptian business
<b>Emirates</b>	Says no announcement yet on "redundancies at the airline"
<b>Saudi Aramco</b>	Cuts June crude allocation to some Asian buyers
<b>Ooredoo Group</b>	In world's top 50 telecom brands list
<b>QNB Group</b>	Capital Intelligence affirms QNB Group's ratings; outlook remains 'Stable'
<b>ADNOC</b>	Reports \$1bn in business value due to digital technologies
<b>Etihaq Airways</b>	Signs an agreement with Dnata Travel Group
<b>Lulu Group</b>	To reopen two malls in Abu Dhabi
<b>Al Rayan Bank</b>	Moody's downgrades Al Rayan Bank's long-term deposit ratings to 'A1'
<b>UGH</b>	Bahrain's UGH subsidiary has \$8.5mn exposure to agri-trader Phoenix

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
<b>Saudi Arabia</b>	7,050.7	-16.0%	8.4%	-0.9%	\$2,236.1	21.3x
<b>ADX</b>	4,112.9	-19.0%	10.1%	-2.8%	\$124.2	12.5x
<b>DFM</b>	1,938.9	-29.9%	9.5%	-4.3%	\$57.5	7.5x
<b>Nasdaq Dubai</b>	2,398.4	-24.7%	12.3%	-2.7%	NP	NP
<b>Qatar</b>	8,873.2	-14.9%	8.1%	1.2%	\$124.1	14.0x
<b>Bahrain</b>	1,270.4	-21.1%	-5.9%	-3.1%	\$19.6	9.0x
<b>Oman</b>	3,408.0	-14.4%	-1.2%	-3.7%	\$10.9	8.8x

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