

Iridium Quant Lens NLP detects shift in sentiment

In case you missed it...

The UAE's indices advanced the most in the region last week, partly driven by financials. Dubai (+3.7%) surpassed its highest level in over 5 months early last week. Abu Dhabi (+3.6%) followed closely. Bahrain (+3.4%) maintained its positive momentum despite receiving a downgrade from Fitch in the previous week. Kuwait, Oman and Saudi Arabia clocked identical gains (+1.8%, each). Qatar (+1.7%) rose on the back of strength in energy and financial sector stocks. The US indices reached new highs last week, mainly driven by positive economic data and estimate-beating results. While the Dow Jones (0.0%) closed flat, S&P 500 (+0.7%) edged up to touch a new record high. Nasdaq Composite (+2.7%) posted its 35th record close of 2020 last week with Apple hitting a new all time intraday high on August 21. European indices, meanwhile, ended weak as STOXX600 (-0.8%), DAX (-1.1%), CAC40 (-1.3%), and FTSE100 (-1.4%) all fell.

The Week Ahead

Regional markets

Economic events are likely to provide catalysts to regional stock markets. Stable oil prices should also offer comfort to participants. Last week OPEC+ held a virtual meeting where Saudi Arabia said production cuts could extend into 2022 depending on market conditions. The Kuwaiti parliament has approved a law to increase protection from ailing businesses which will aid the country's stock market to maintain its positive momentum..

Global markets

The US Fed's cautious view on the economy can hurt the sentiments and increase volatility in global markets. Moreover, new clusters of COVID-19 infections and faltering Eurozone PMI data will increase the worries of investors and traders. In the week, GDP data of the US and Germany might aid market participants in forming a trading strategy.

You may be asked about

The construction market in the GCC has shown initial signs of recovery last month, according to BNC Projects. BNC, in its latest journal titled "The Great Awakening", stated that activity in the construction sector registered notable pick up as projects worth \$11.6 billion were announced in July as compared to projects totaling \$11.9 billion during the entire 2Q 2020. In July, Saudi Arabia led the construction activity revival with \$8.4 billion worth of new scheme announcements, followed by Oman (\$2.2 billion). BNC estimated GCC construction market to be worth \$2.4 trillion with over 22,000 active projects at the end of July.

Note to management

There has always been a stand-off between issuers and investors: companies try to paint a positive picture of their performance, while investors simply seek the truth: What does management really think about the firm's quarterly numbers? What is their honest view of the Covid-19 pandemic? How worried are they about their ability to deliver on their strategies?

In recent years, investors have gained a new weapon in their quest for the truth: Natural Language Processing (NLP). The ability of AI to consume and analyse millions of words means that every utterance a company has ever made can be quantified. After a year of refinement, Iridium has now launched the GCC's first AI-powered earnings call analyser and a new sentiment index, too. You can read our primer - Sentiment Quantified - [HERE](#)

EARNINGS CALENDAR	Market	Est/ Conf	Date
L'Azurde Jewelry*	KSA	E	31 Aug
*Earnings Call			
Q2 RESULTS	PROFIT (mn)	Y-O-Y%	
Arabtec Holding*	-AED788.4	NM	
Emirates Insurance Co.	AED65.5	+676.5%	
Invest bank	-AED136.0	NM	
Saudi Airlines Catering Co.	SAR143.8	NM	
United Electronics Co.	SAR90.4	+24.7%	
Savola Group	SAR409.6	+271.7%	
Taiba Investments Co.	SAR79.8	+62.1%	
MPHC	QAR78.0	+36.7%	

*1H value

BRENT FUTURES PRICE



COMMODITIES	WTD ↓	YTD
Natural Gas	3.90%	11.83%
Oil (WTI)	0.79%	-30.66%
Oil (Brent)	-0.24%	27.89%
Gold	-1.00%	-32.80%

REGIONAL CALENDAR

27.08.2020	KSA Statistical Bulletin	KSA Weekly Money Supply
29.08.2020	Abu Dhabi Consumer Inflation	-

GLOBAL CALENDAR

24.08.2020	US Chicago Fed National Activity Index	Germany Import Price Index
25.08.2020	Germany GDP	US Consumer Confidence
26.08.2020	Japan Leading Economic Index	US Durable Goods Order
27.08.2020	US GDP (Prel.)	US Pending Home Sales
28.08.2020	Eurozone Consumer Confidence	Germany Consumer Inflation

Food for thought

IR & BEYOND

Iridium Quant Lens	Sentiment Quantified: AI-powered Earnings Call Analysis with NLP	Link
Iridium Quant Lens	Press Release: Iridium launches AI-powered Sentiment Index	Link
ESG Clarity	PR1 warning: "don't rely on ESG ratings alone"	Link
Arab News	Saudi exchange Tadawul weighs next steps in global and regional plans	Link

Weekly IR Brief

Monday, 24.08.2020

ASSET CLASS MONITOR

	WTD ↓	YTD
MSCI GCC	2.42%	-10.57%
MSCI World	0.72%	5.15%
FTSE 100	0.28%	1.01%
Oil	0.00%	-93.55%
S&P 500	-0.12%	-2.05%
MSCI EM	-0.24%	27.89%
US Treasury	-0.43%	-4.28%
Aluminium	-1.00%	-32.80%
Gold	-1.45%	-20.43%

SOVEREIGN YIELDS (10YR)

	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	0.63	3	-98
UK	0.2	9	-31
Germany	-0.51	-2	14
France	-0.21	-2	16
Italy	0.94	-9	-36
Switzerland	-0.56	-2	41
Japan	0.02	2	27
Hong Kong	0.25	--	--
India	6.09	28	-47

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

US	President to speak at the US Republican National Convention
UK	To kick off informal negotiating round on future relationship with EU
EIA	To release crude oil inventory report
The Atlantic Council	To host US Secretary of State Michael Pompeo
EU	Defense ministers to hold an informal meeting in Berlin
ECB	Executive Board member Isabel Schnabel to participate in a discussion
Bank of Korea	To publish policy decision and briefing
BOE	Chief Economist Andy Haldane to speak at Edinburgh Int. Culture Summit
Vietnam	To host an online meeting of member states' economic ministers
Earnings	Shenzhou International, Salesforce.com, Intuit, Dell, HP Inc., Best Buy etc.

MOST READ REGIONAL SECTOR HEADLINES

Banking & Finance	Saudi banks' first half revenue increases, profit drops: Moody's
Real Estate	GCC construction sector begins recovery: BNC
Oil & Gas	OPEC+ compliance with oil output cuts in July around 97%: sources
Aviation	Half of aviation jobs in Mideast may be lost: IATA
Telecom	TRA of Oman signs agreement with Oman Broadband Company
Insurance	Middle East insurers seen taking bulk of losses from Beirut blast
Hotel	UAE, Saudi hotels to recover faster from COVID-19 slump: Colliers
Energy	Saudi Arabia, Jordan sign MoU for 164 km power grid project
Transportation	Sinyar Oman set to roll out Mwasalat's smart transportation system
Education	Saudi Arabia plans distance learning for schools as virus precaution

MOST READ REGIONAL COMPANY HEADLINES

Bank Albilad	Saudi Marketing signs SAR100mn financing deal with Bank Albilad
Ethihad Airways	Expands air-rail partnership with AccesRail in Europe
DXB Entertainments	Impairments due to Covid hit DXB Entertainments in first half of 2020
Union Properties	Looks to buy distressed assets
ADNOC	Project to refine heavy, sulfurous crudes is 73% complete
Emirates NBD	In early talks for possible acquisition of Blom Bank Egypt
DAMAC	DAMAC Chief sees difficult two years for Dubai property market
Ooredoo	Appoints new CEO for Ooredoo Kuwait
Eshraq	To explore investing AED500mn in tech sector
Alafco	Delays Airbus orders

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	7,842.8	-6.5%	8.6%	5.1%	\$2,343.4	25.3x
ADX	4,543.0	-10.5%	6.0%	5.5%	\$185.3	16.6x
DFM	2,235.6	-19.1%	8.2%	9.0%	\$64.9	8.5x
Nasdaq Dubai	2,742.0	-13.9%	8.8%	8.1%	NP	NP
Qatar	9,767.2	-6.3%	8.5%	4.3%	\$139.2	15.9x
Bahrain	1,355.3	-15.8%	6.1%	5.0%	\$20.6	12.6x
Oman	3,628.9	-8.8%	3.2%	1.7%	\$11.2	10.8x
Kuwait	5,754.9	-17.5%	2.6%	6.3%	\$72.4	18.5x

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