

## Global factors not looking conducive for crude oil

### In case you missed it...

GCC markets closed mixed again last week. Saudi Arabia (+1.7%) climbed as crude oil prices edged up for a second week amid a world-wide slowdown in the number of new coronavirus cases. Oman (+1.5%) stood as the second highest gainer. Qatar (+0.9%) edged up on the back of buying support from foreign retail and institutional investors as well as domestic institutions. Bahrain (+0.4%) was followed by Dubai (+0.1%) which benefitted from strength in realty stocks. However, Abu Dhabi (-0.1%) inched lower due to weakness in banking stocks. Kuwait (-0.4%) also slipped. The US markets ended their two-week winning streak. Nasdaq Composite (-1.6%) declined the most, as the rise in coronavirus cases in neighboring countries such as South Korea hit technology stocks amid concerns over the potential impact on supply chains and global growth. Dow Jones (-1.4%) was closely followed by S&P 500 (-1.3%). European markets also ended in the negative territory as DAX (-1.2%), CAC40 (-0.7%), STOXX600 (-0.6%) and FTSE100 (-0.1%) all closed lower.

### The Week Ahead

#### Regional markets

Crude oil prices, despite recovering for a second consecutive week, fell last Friday as OPEC+ decided not to prepone its 6 March meeting and Russia indicated no further production cuts. This, in addition to a new report from the IIF forecasting crude oil prices to remain below \$60 per barrel this year on coronavirus impact, might depress regional markets heading into a new trading week. Also, S&P estimating a decline in Dubai property prices in 2020 is likely to negatively affect Dubai-listed property stocks. This week, Emirates Investment Bank, Waha Capital, Arkan Building Material, Al Baraka Banking, Milaha and others will meet to discuss FY19 financial results.

#### Global markets

With the earnings season in full swing, investors will closely watch company results which can decide the trend of the market. Moreover, the focus will be on economic reports such as GDP numbers from the US (prelim) and Germany, business climate in Germany & Eurozone and consumer confidence in the US & the UK. Meanwhile, it will be interesting to check the impact of the coronavirus on industrial production in China which is scheduled to be released this week.

### You may be asked about

Port & Free Zone World (PFZW) will take its subsidiary DP World (DPW) private by acquiring the remaining 19.55% of its shares listed on Nasdaq Dubai for \$2.7 billion, thereby valuing DPW at ~\$14 billion. In order to finance the transaction, DPW will take on additional debt worth \$8.1b while PFZW will pay \$5.15 billion to its parent Dubai World to help meet it repay its debt obligations. DPW also said that the loans raised by it could be utilized to fund potential redemption of its convertible bonds.

### Note to management

Last week's announcement from DP World that it is to de-list from Nasdaq Dubai took the markets by surprise. While the offer of \$16.75 per share appears generous the stock was trading above the offer level as recently as June last year, and has almost halved in price since January 2018. There are three reasons for the delisting - but the company itself only alludes to two of them. The third is the most important of all and carries region-wide implications. Read more [HERE](#).

#### REGIONAL CALENDAR

27.02.2020	Abu Dhabi Hotel Price Index	KSA Statistical Bulletin
28.02.2020	Abu Dhabi Bank Stat.	Abu Dhabi Building Material Stat.

#### GLOBAL CALENDAR

24.02.2020	China Industrial Production	Germany Business Climate
25.02.2020	US Consumer Confidence	Germany GDP
26.02.2020	US New Home Sales	US Mortgage Applications
27.02.2020	US GDP (Prel)	Eurozone Business Climate
28.02.2020	UK Consumer Confidence	US Trade Balance

### Food for thought

#### IR & BEYOND

<b>Iridium</b>	<b>Three Reasons that Drove DP World's Surprise Delisting</b>	<a href="#">Link</a>
Reuters	Franklin Resources to buy Legg Mason	<a href="#">Link</a>
IR Magazine	TCFD climate reporting initiative passes 1,000 supporters	<a href="#">Link</a>
Bloomberg	Dubai Takes Port Operator Private to Tackle Looming Debt Pile	<a href="#">Link</a>
Al Arabiya	Saudi GDP growth set to see uptick this year: SAMA	<a href="#">Link</a>

#### EARNINGS CALENDAR

	Market	Est/ Conf	Date
Doha Bank*	Qatar	C	24 Feb
QISI	Qatar	C	26 Feb
Polarcus Ltd	UAE	C	27 Feb
Borr Drilling Ltd	UAE	C	28 Feb

\*Earnings Call

#### BRENT FUTURES PRICE



#### Q4 RESULTS

	PROFIT (mn)	Y-O-Y%
Yansab *	SAR1,089.8	-54.9%
Ooredoo Qatar	QAR460	-3%
UAB*	-AED470.8	NM
Arabtec Holding*	-AED774.0	NM
BOS*	AED226	+74%
QGTS	QAR274.3	+17.8%
CATERING*	SAR463.9	+1.0%
Mobily*	SAR31.0	NM
Herfy Food Services Co.*	SAR196.1	-4.0%

\*Annual

#### ASSET CLASS MONITOR

	WTD ↓	YTD
Gold	3.75%	8.31%
Oil	2.06%	-11.36%
MSCI GCC	1.09%	-4.86%
FTSE 100	-0.07%	-1.84%
S&P 500	-1.25%	3.31%
US Treasury	-1.27%	0.65%
MSCI World	-1.27%	1.32%
Aluminium	-1.64%	-6.86%
MSCI EM	-2.00%	-2.73%

## COMMODITIES

	WTD ↓	YTD
Gold	3.75%	8.31%
Natural Gas	3.70%	-12.97%
Oil (WTI)	2.56%	-12.58%
Oil (Brent)	2.06%	-11.36%

## SOVEREIGN YIELDS (10YR)

	CURRENT (%)	1 MONTH (bps)	1 YEAR (bps)
US	1.47	-41	-118
UK	0.57	-29	-72
Germany	-0.43	-25	-60
France	-0.21	-29	-75
Italy	0.91	-48	-181
Switzerland	-0.78	-26	-49
Japan	-0.06	-5	-5
Hong Kong	1.06	-35	-44
India	6.41	9	-

## 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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## GLOBAL AGENDA

<b>World Bank President</b>	David Malpass to deliver a speech at the NABE conference
<b>BoE Chief Economist</b>	Andrew Haldane to speak in Oxford
<b>U.S.</b>	President Donald Trump to visit India
<b>IMF</b>	A team to visit Ukraine to discuss a draft law on bankrupt banks
<b>South Africa</b>	Finance Minister Tito Mboweni to present the budget for 2020-21
<b>Chicago Fed President</b>	Charles Evans to take part in a Global Interdependence Center event
<b>Bundesbank</b>	President Jens Weidmann to speak in Frankfurt
<b>BOE Deputy Governor</b>	Jon Cunliffe to speak in London
<b>France</b>	President Emmanuel Macron to meet Italian PM Giuseppe Conte
<b>Earnings announcements</b>	HP, Home Depot, TR, BASF, Rolls-Royce, Dell, London Stock Exchange etc

## MOST READ REGIONAL SECTOR HEADLINES

<b>Aviation</b>	Low-cost flights to power Middle East aviation market
<b>Telecom</b>	Zain KSA to restructure capital through a rights issue
<b>Real Estate</b>	Investors oppose delisting of Dubai real estate fund amid property slump
<b>Oil &amp; Gas</b>	OPEC slashes oil demand forecast as virus threatens new glut
<b>Bank</b>	S&P cautions regional banks
<b>Insurance</b>	GCC insurers may encounter several risks this year: S&P
<b>Fintech</b>	Bahrain's GFH acquires majority stake in fintech firm Marshal
<b>Power</b>	UAE issues operating license for Arab world's first nuclear plant
<b>Petrochemicals</b>	Saudi Arabia plans to export gas and petrochemicals soon
<b>Hospitality</b>	S&P warns coronavirus travel restrictions could hurt Dubai's hospitality ind.

## MOST READ REGIONAL COMPANY HEADLINES

<b>ADNOC</b>	Awards contracts worth ~\$1.65bn to Petrofac
<b>Riyad Bank</b>	Sells \$1.5bn 10-year Islamic bonds
<b>Amanat</b>	Dubai's Amanat in talks with banks to fund possible VPS Deal
<b>Emirates NBD</b>	Markets 10-year kangaroo bonds
<b>SABIC</b>	To suspend Spain ultern output sees SAR700mn noncash impact in 1Q2020
<b>ADPower</b>	Building largest independent thermal power plant in UAE
<b>DP World</b>	Dubai is to take full control of port operator DP World
<b>Dar Al Arkan</b>	Saudi Dar Al Arkan mandates bank ahead of sukuk offering-document
<b>Azizi Developments</b>	UAE based Azizi to complete 3,000 housing units this year
<b>Saudi Aramco</b>	To report 2019 results on March 16

REGIONAL MARKETS	Last Close	YTD %	QTD %	MTD %	M-Cap (bn)	P/E (ttm)
Saudi Arabia	8,007.4	-4.6%	-4.6%	-2.9%	\$2,317.1	22.0x
ADX	5,033.2	-0.8%	-0.8%	-2.4%	\$142.4	14.8x
DFM	2,737.5	-1.0%	-1.0%	-1.9%	\$79.4	9.9x
Nasdaq Dubai	3,155.4	-0.9%	-0.9%	-2.5%	NP	NP
Qatar	9,934.1	-4.7%	-4.7%	-4.9%	\$135.4	14.6x
Bahrain	1,668.6	3.6%	3.6%	0.7%	\$26.1	12.4x
Oman	4,191.6	5.3%	5.3%	2.8%	\$13.6	8.4x

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