

GCC earnings cycle picks up pace as AI spending faces greater scrutiny

The Week Ahead

Regional markets – IMF detailed outlook and UAE bank earnings calls set the agenda

Egypt's parliament meets today after President Sisi requested authority to provide military support to Saudi Arabia if Riyadh asks, following further Houthi attacks on the Kingdom. The IMF publishes its detailed regional outlook on Thursday, after forecasting a 4.8% contraction in GCC economies this year and a recovery of about 9% in 2027. That recovery assumes trade and shipping return to normal in 1Q 2027, with exports recovering by mid-year. Saudi Arabia reports 3Q real estate prices and August business activity on Tuesday, followed by September construction costs on Thursday. Ahlibank (Qatar), Commercial Bank of Dubai, Dubai Islamic Bank, Emirates NBD, Ezdan Holding, Gulf Warehousing, Medicare Group, Nakilat, and Qatari Investors Group will host 3Q earnings calls this week.

Global markets – Meta's 3Q results test AI spending as growth and inflation data arrive

Markets will look to Meta's results on Wednesday for evidence that earnings can keep pace with AI capex, following last week's technology sell-off. Netflix reports on Tuesday; Tesla, IBM and Texas Instruments follow on Wednesday, with Procter & Gamble on Thursday. Analysts expect more than 30% YoY growth in S&P 500 earnings for 3Q. China publishes 3Q GDP on Monday, with economists forecasting growth of 4.4% YoY, alongside September retail sales, industrial production and investment data. The UK releases September inflation on Wednesday and retail sales on Friday. Friday also brings October flash PMIs for the US, euro area and UK, plus the final University of Michigan consumer sentiment and inflation expectations readings ahead of the Fed's 28 October decision.

⚠️ Note to Management – Explain how the company will fund its growth in 2027

CoreWeave's sell-off last week is a timely reminder for boards and management teams that growth only creates value when returns exceed the cost of capital. The AI infrastructure provider had a large contracted order book, but investors questioned the cost of funding its expansion and the returns shareholders would earn. Boards should revisit investment plans where expected returns leave little room for higher funding costs or delays. Management should explain how much capital is required to deliver its growth targets, what that capital is expected to earn and when investors can expect the cash flows.

Food for thought

IR & Beyond

IR Impact	Retail voting programs won't replace proxy advisers, but could change the math Link
Harvard	Governance Reform May Propel Japanese Equities to New Heights Link
INSEAD	What Your Board Needs to Know About Its Own Role Link
MIT Sloan	5 things to know about how companies can create value from AI Link
ICAEW	Cyber: how much should your business worry about global cyber threats? Link

In case you missed it...

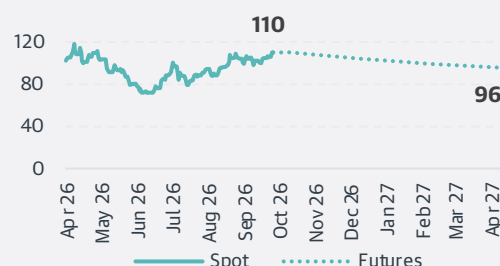
Brent rose 4.9% to USD109.86/bbl last week as attacks on Gulf shipping and threats to Saudi oil facilities raised supply concerns. A Houthi attack on Aramco's headquarters in Dhahran also weighed on regional equities. Dubai (+0.8%) and Abu Dhabi (+0.1%) were the only GCC markets to rise. Saudi Arabia (-2.6%) led declines, followed by Qatar (-2.2%), Oman (-2.0%), Kuwait (-1.6%) and Bahrain (-1.0%). Saudi recorded its seventh consecutive weekly decline, while Qatar closed at its lowest level in more than six years.

US equities ended mixed as concerns over borrowing to finance AI investment weighed on technology stocks. The NASDAQ (-4.5%) and S&P 500 (-1.9%) recorded their worst weeks since June, while the Dow Jones (+0.7%) advanced. The 10Y Treasury yield fell to 5.09% from 5.24% as investors sought safety in government bonds. European equities rose. The FTSE 100 (+3.1%) recorded its strongest week in six months, while the DAX (+2.1%), STOXX Europe 600 (+2.1%) and CAC 40 (+2.0%) also advanced.

Earnings Calendar	Market	Type	Date
CBD	DFM	Earnings Call	21 Oct
DIB	DFM	Earnings Call	21 Oct
EMIRATESNBD	DFM	Earnings Call	21 Oct
QGTS	DSM	Earnings Call	21 Oct
QNCD	DSM	Earnings Call	21 Oct
ABQK	DSM	Earnings Call	22 Oct
ERES	DSM	Earnings Call	22 Oct
GWCS	DSM	Earnings Call	22 Oct
MCGS	DSM	Earnings Call	22 Oct
QIGD	DSM	Earnings Call	22 Oct

Investor Conferences	Location	Dates
HSBC MENAT Forum	Dubai	20-22 Oct
FII Flagship Conference	Riyadh	26-29 Oct
CMF Select London	London	05-06 Nov
JPM Saudi Forum	New York	09-10 Nov
BofA MENA Conference	Dubai	12 Nov
Goldman Sachs CEEMEA	London	16-17 Nov
Jefferies GEMS	Dubai	23-24 Nov
CMF Select Red Sea	Red Sea	24 Nov

Brent Crude - Spot vs Futures - \$/bbl



Commodities	WTD	YTD ↓
Oil (Brent)	4.8%	80.6%
Oil (WTI)	10.3%	76.7%
Zinc	-3.7%	21.0%
Copper	-1.7%	15.6%
Aluminium	-0.9%	1.3%
Gold	-0.7%	-3.7%
Natural Gas	-3.2%	-15.6%
Silver	-6.3%	-20.3%

Regional Company Headlines

Mubadala	Completes USD6.2bn acquisition of Clear Channel Outdoor
Aldar	Agrees AED1.1bn purchase of nine residential buildings from Arada in Sharjah
OQEP	Establishes USD2bn sukuk programme for future financing
Maaden	Secures shareholder approval for mining joint venture with Aramco
QIB	Reports 2.0% rise in 9M profit to QAR3.53bn
Jarir	Reports 15.1% rise in 3Q profit to SAR374mn
Bank Muscat	Reports 9.2% rise in preliminary 9M profit to OMR209.2mn
MIS	Signs SAR179.8mn contract with King Saud Medical City
Saudi Steel Pipe	Wins SAR177mn steel-pipe supply contract from Saudi Aramco
First Avenue	Agrees SAR131mn fund-stake swap to exit La Perle and raise Al Shati holding

Macro Calendar

19 Oct	China	GDP 3Q / Industrial Production / Retail Sales Sep
20 Oct	Saudi Arabia	Real Estate Price Index 3Q
21 Oct	UK	CPI Sep
22 Oct	Saudi Arabia	Construction Cost Index Sep
22 Oct	Middle East	IMF Regional Economic Outlook Oct
23 Oct	UK	Retail Sales Sep
23 Oct	Euro Area	Manufacturing / Services PMI Oct Prel.
23 Oct	UK	Manufacturing / Services PMI Oct Prel.
23 Oct	US	Manufacturing / Services PMI Oct Prel.
23 Oct	US	Michigan Consumer Sentiment / Inflation Expectations Oct Final

5Y CDS Spread, bps



Markets	Last Close	YTD	QTD	MTD	Mcap, bn	P/E	P/B
Saudi Arabia	10,107	-3.7%	-3.2%	-3.2%	\$2,408	15.1x	1.9x
ADX	9,808	-1.8%	-2.6%	-2.6%	\$663	16.9x	2.2x
DFM	5,867	-3.0%	-1.6%	-1.6%	\$248	8.9x	1.6x
Qatar	8,810	-18.1%	-4.7%	-4.7%	\$129	10.6x	1.1x
Bahrain	1,876	-9.2%	-1.7%	-1.7%	\$19	14.9x	1.2x
Oman	7,678	30.9%	1.5%	1.5%	\$47	14.0x	1.6x
Kuwait	8,476	-4.8%	-3.5%	-3.5%	\$163	18.1x	1.7x

Sources: Bloomberg, S&P Capital IQ Pro, Iridium Advisors

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Asset Class Monitor	WTD	YTD ↓
Equity Indices		
MSCI EM	-5.2%	15.4%
S&P 500	-1.9%	11.9%
MSCI World	-1.6%	11.3%
FTSE 100	3.1%	9.6%
MSCI GCC	-0.9%	-3.3%
10Y Yields		
UK Gilt	-12bps	93bps
US Treasury	-15bps	91bps
Germany Bund	-8bps	55bps
Cryptocurrency		
Bitcoin	-1.0%	-6.9%

Leaderboard	Mcap bn	YTD	P/B	P/E	3M ADTV mn
Aramco	\$1,630	6%	3.9x	15.0x	8.2
IHC	\$209	-12%	4.6x	22.5x	0.2
Al Rajhi	\$98	-6%	3.0x	14.6x	6.1
ADNOC Gas	\$68	-8%	2.8x	16.4x	30.1
Ma'aden	\$62	-2%	3.6x	30.3x	1.3
SNB	\$59	-2%	1.2x	8.9x	4.6
FAB	\$58	11%	1.6x	10.4x	4.4
STC	\$56	-2%	2.5x	14.3x	2.2
ENBD	\$54	13%	1.4x	8.4x	1.9
E&	\$50	14%	3.4x	15.8x	2.3

About Iridium

Iridium is a management consulting firm and MENA's leading advisor on investor relations.

We unlock valuation potential by advancing the science and practice of investor relations.

Please don't hesitate to let us know if we can be of assistance in any way.

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