

# UAE property earnings boost Gulf

● Emaar, Aldar post better-than-expected results

● Real estate sector gets confidence boost

● DAMAC gains despite 87 pct drop in Q4 net profits

● Bank stocks down in Saudi Arabia

● Orascom Investment extends gains in Egypt



A trader watching stock movements on the floor of Tadawul (file)

Reuters | Dubai

Most stock markets in the Middle East closed higher yesterday, reflecting a rally in global stock markets yesterday, and were also boosted by better-than-expected company results, particularly in real estate.

The Abu Dhabi index gained 0.7 per cent and the Dubai index 0.6pc, as two of the largest property developers in the United Arab Emirates posted positive fourth-quarter financial results last week that beat market expectations. “The market is starting to re-

build confidence in earnings as a driver for sentiment,” said Arqaam Capital in a research note. “Sentiment on the UAE was very weak in 2018, specifically for real estate, on concerns over oversupply risk, pricing pressure that is leading to extended payment plans, and a rental yield

compression that is continuing to fall,” Arqaam said. “But Q4 numbers provided evidence that a few developers have emerged as winners (Emaar Co’s, Aldar) out of market consolidation.” Emaar Properties, Dubai’s largest listed developer, report-

## Closing Bell

SAUDI	▼ 0.4 pc	» 8,592 pts
DUBAI	▼ 0.6 pc	» 2,550 pts
ABU DHABI	▲ 0.7 pc	» 5,070 pts
QATAR	▲ 0.7 pc	» 10,011 pts
EGYPT	▲ e 1.4 pc	» 15,199 pts
KUWAIT	▲ 0.1 pc	» 5,427 pts
OMAN	▼ 0.8 pc	» 4,077 pts
BAHRAIN	▲ 0.6 pc	» 1,381 pts

ed a 27pc rise in fourth-quarter profit. The stock rose 2pc yesterday. DAMAC Properties closed up 0.8pc, despite having reported a nearly 60pc fall in full-year profit and an 87pc drop in fourth-quarter net profits. In Abu Dhabi, Aldar Properties gained 3.6pc. Last week, the developer reported a rise in fourth-quarter earnings and higher dividends for 2018. In other sectors, Abu Dhabi Islamic Bank rose 0.5pc after saying it had no merger and acquisition plans. This was in response to a

Bloomberg report last week which said the bank was considering such options. The Saudi index closed 0.4pc down, in contrast to the rest of the region’s markets. Arab National Bank reported an increase in full-year net profit to 3.13 billion riyals (\$834.62 million) from 3.03 billion riyals one year earlier. The stock remained unchanged and this failed to give support to the banking sector. Alinma Bank and Al Rajhi Banking & Investment Corp lost 0.3pc and 0.6pc, respectively. In Egypt, where the main index gained 1.4pc, Orascom Investment Holding, up 3.2pc, was among the stocks attracting the highest trading volume. Shares in the company jumped last week after its chairman, Egyptian billionaire businessman Naguib Sawiris, said he saw possible investment opportunities in North Korea if a summit between its leader Kim Jong Un and US President Donald Trump later this month was successful.



The second vice-chairman of the Bahrain Chamber of Commerce and Industry (BCCI) Mohammed Al Koheji receiving at Bait Al Tijjar yesterday the First Counsellor and Head of Trade Section of the Riyadh-based European Union’s delegation accredited to Bahrain Alberto Martelli accompanied by the Trade Affairs Officer Mohammed Zakzouk. The meeting deliberated about the business relation between the European Union and the Gulf Cooperation Council in general and focused on the prospect of business between the EU and Bahrain. The meeting also mulled stepping-up cooperation between the Bahrain Chamber and the EU delegation office and consolidating efforts to empower Small and Medium Enterprises.

## UAE announces \$1.1 billion of military deals with international cos: IDEX

Reuters | Abu Dhabi

The United Arab Emirates (UAE) said yesterday it had signed military deals worth 3.87 billion UAE dirhams (\$1.1 billion) with international companies. A spokesman for the IDEX defense conference said the UAE had also announced military deals worth 1.1 billion UAE dirhams with local companies. The value of deals during the five-day event is likely to exceed the Dh19.17bn reached in 2017, IDEX organisers said earlier this month. The biennial event taking place in Abu Dhabi has attracted a record number of exhibitors and countries.



Sheikh Mohammed bin Rashid al-Maktoum (R), Vice-President and Prime Minister of the UAE and Ruler of Dubai attends the opening of the International Defence Exhibition and Conference at the Abu Dhabi National Exhibition Centre. Left, Members for the UAE Armed forces perform a military drill during the opening of the Defence Exhibition and Conference

## US millennials a popular but elusive target for brands

New York, United States

American millennials -- the generation of people aged 17-35 -- are a popular target for advertisers and brands, but companies risk missing out by approaching them as one homogenous population. From Gillette razors to McDonald’s and American Express, every major American company is touting its efforts to attract these young people, considered the workforce of tomorrow and the new generation of consumers. ExxonMobil and Chevron no longer hesitate to highlight their late and forced conversion to the fight against climate change, a subject important to millennials, who will suffer its most serious consequences. “I think it’s a good idea to focus on millennials in the sense that it’s a huge market,” said Ajay Kohli, a professor at Georgia Tech University. “But I don’t think it makes sense to play millennials as a

homogenous group of people who want the same products or same services, or believe in the same values, or are equally price sensitive or equally responsive to give a message,” Kohli said. It is an opinion shared by Kelly O’Keefe, a marketing professor at the University of Virginia, who notes that there is significant diversity in the 75 million millennials who reside in the United States. “Some voted for Trump. Some for Clinton. Some drink craft beer. Some Pabst. Some only buy organic foods, but Millennials are also among the largest consumers of processed foods,” O’Keefe said. “Many companies make the mistake of treating Millennials like they share a single personality and a common set of values. They don’t!” Faced with public mistrust of banks after the financial crisis, Capital One is seeking to become the bank of choice for millennials by transforming

branches into cafes where you can have a cappuccino while negotiating a loan. “People who actually go to bank branches, we call them ‘wanters’ and ‘needers.’ You found millennials among ‘wanters’ and you also found millennials among ‘needers,’” said David Allison, an expert in consumer habits whose firm has conducted thousands of surveys to form a database in the United States, Canada and China. “‘Wanters’ are looking for a personal relationship with the banks; ‘needers’ are looking for a social status, for them a bank is a serious place, they will be looking after my money and that’s going to make me feel like I’m a serious person who has money,” Allison said, adding that what matters is what services to offer the two categories. He urges companies to eliminate demography in their marketing approach because it often leads to stereotypes.



Representative picture (Courtesy of Forbes)