

Media Coverage of Aramco IPO

November 27, 2019

The Saudi government announced plans to list Aramco on public markets in what is likely to be the largest IPO in history. We analyzed our media reservoirs to infer media perspective ahead of the public offering.

Media Reservoirs

We extract articles from our media reservoirs. MKT currently maintains six information reservoirs: bellwether reservoir (which contains all articles from the top media outlets daily), foreign exchange, country equity, corporate, interest rates, and commodities. The media information spans roughly 100,000 distinct sources, amounting to about one million articles per week across all six reservoirs.

We also built an entirely new *Arab-countries-specific* reservoir for this specific study. This new reservoir includes media from Arab countries including Baharen, Egypt, Iraq, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, and UAE (see appendix of the list of sources). Overall the new Arab-countries-specific reservoir contributed roughly 500,000 individual articles to this study.

For this analysis we will focus on overall coverage, MKT commodity reservoir which tends to include more Aramco IPO stories than other reservoirs and the newly created reservoir of Arab sources.

Intensity

The chart (Figure 1) shows a sharp increase in media attention to Aramco from mid September 2019 to mid November a period which started with drones and missile attack on oil Aramco facilities in Saudi Arabia and finished with an announcement of IPO delay. The pick up in media coverage the last couple of weeks in anticipation for the rescheduled IPO is much less pronounced relative to the September-October coverage.

Media Coverage Intensity of Aramco

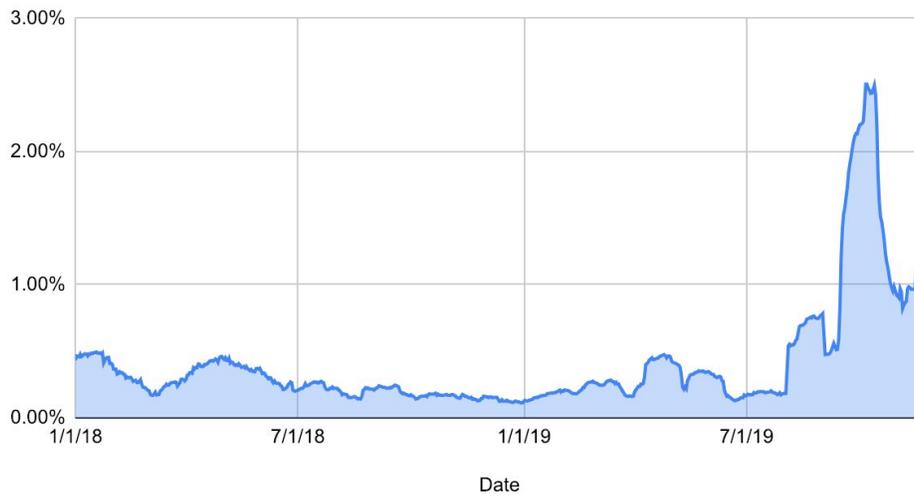


Figure 1: Media Coverage Intensity of Aramco

In the chart below (Figure 2) we compare coverage intensity in the local Arab media (see appendix for a list of sources) and compare to the coverage within the commodity reservoir.

Aramco Coverage Arab vs. Commodity Reservoirs

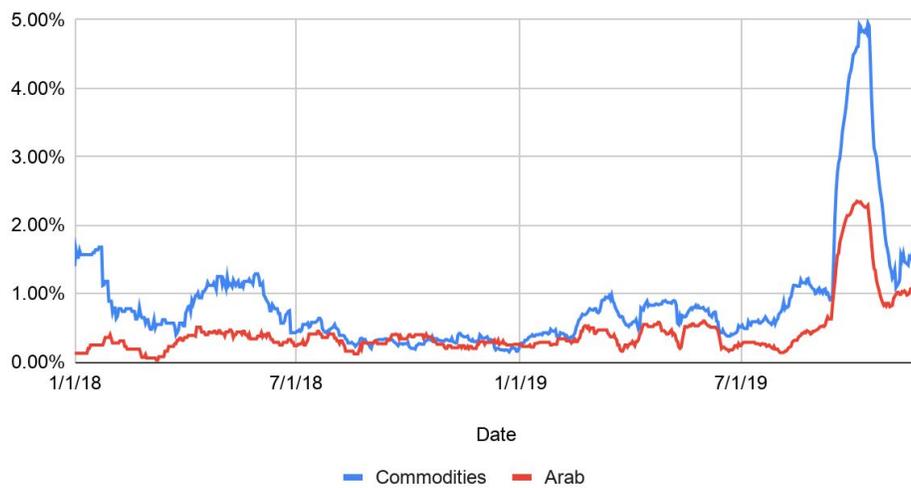


Figure 2: Media Coverage Intensity of Aramco in Arab and Commodity Reservoirs

Sentiment

We use our proprietary technology to calculate the average excess sentiment of articles covering Aramco’s IPO relative to the reservoir. In the chart below (Figure 3) we observe that on average the media in Arab countries tend to use more favorable tone than non-local coverage (in this case commodity reservoir). Moreover, while the local Arab media seems to have moved forward from the negative events such that the attack on the refineries, the non-local media covering the IPO seems to still be negative on average. The non-local media is still experiencing very negative level of coverage nearing all time low.

Excess Aramco Sentiment Arab vs. Commodity Reservoirs

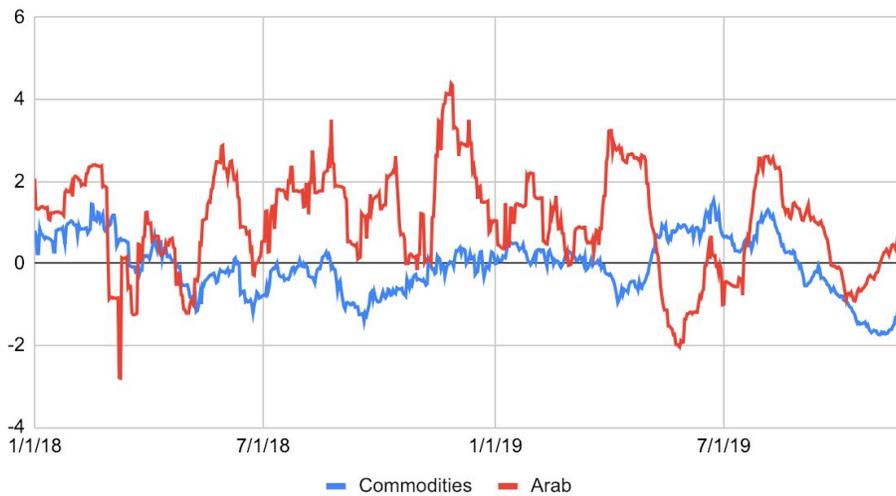


Figure 3: Aramco Excess Sentiment, Local (Arab) vs. Non-Local Media

Focus on Arab countries

Next we turn to the comparison between Arab countries insofar as the tone expressed by the country's media toward the Aramco IPO. The bar chart (Figure 4) shows that Saudi Arabia press has the most positive tone toward the IPO as of recent, followed by Lebanon and Jordan. On the other hand, Bahrain press seems the most skeptic.

Aramco Excess Sentiment by Country

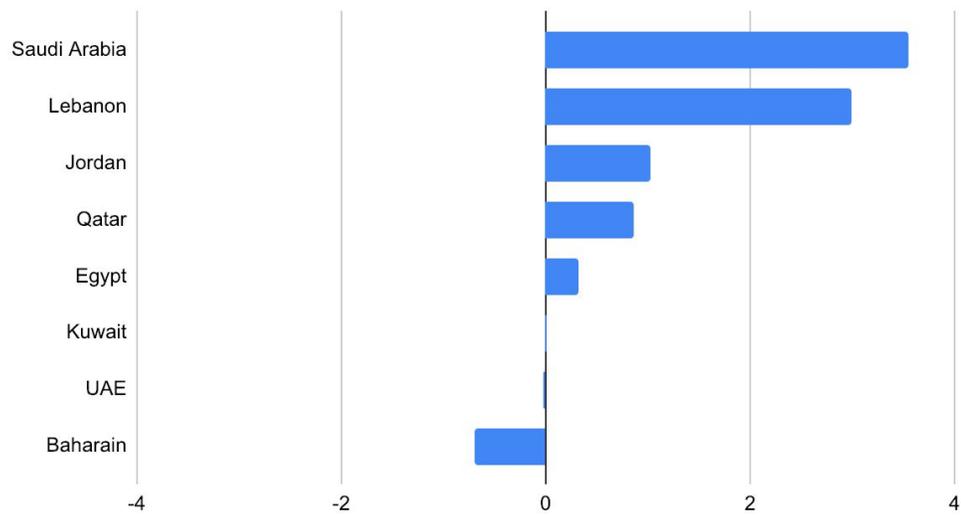


Figure 4: Aramco Excess Sentiment in Arab Media by Country

Conclusions

Using MKT MediaStats reservoirs to measure the intensity and sentiment expressed toward Aramco IPO, we document significant differences between local and non-local coverage as well as cross-country variations within the Arab world.

Appendix

Arab country sources utilized for this study:

Domain	Country
newsfbahrain.com	Bahrain
gdnonline.com	Bahrain
english.ahram.org.eg	Egypt
egypttoday.com	Egypt
dailynewsegypt.com	Egypt
egyptindependent.com	Egypt
iraqnews.com	Iraq
albawaba.com	Jordan
jordantimes.com	Jordan
ammonnews.net	Jordan
ammannewsdaily.com	Jordan
arabtimesonline.com	Kuwait
news.kuwaittimes.net	Kuwait
dailystar.com.lb	Lebanon
annahar.com	Lebanon
moroccoworldnews.com	Morocco
muscatdaily.com	Oman
gulf-times.com	Qatar
aljazeera.com	Qatar
alaraby.co.uk	Qatar
saudigazette.com.sa	Saudi Arabia
gulfnews.com	United Arab Emirates
khaleejtimes.com	United Arab Emirates
ameinfo.com	United Arab Emirates