

Saudi Aramco IPO starts November 17

11th November, 2019



Saudi Aramco, the world's biggest oil producer, has announced that it will float its shares on the Saudi Stock Exchange. The news has been much anticipated by financial analysts around the world. The flotation is causing a lot of excitement among

speculators worldwide. Saudi Aramco will allocate up to 0.5 per cent of its shares to individual investors. Experts say it could be the largest IPO (Initial Public Offering) in history. Investors with deep pockets have between November 17 and December 4 to snap up shares in the world's most profitable company. The company is valued at up to \$2.3 trillion. In comparison, its rival, the US oil giant Exxon Mobil, has a valuation of a mere \$300 billion.

Saudi Aramco President and CEO Amin Nasser told the CNBC news agency last week that the company's IPO will help diversify Saudi Arabia's economy. Further share offerings may take place later on stock exchanges in Hong Kong, London, New York and Tokyo. Saudi Arabia is heavily reliant on oil and needs to seek alternative areas of growth. The IPO is part of an ambitious plan to reform the kingdom's economy called "Saudi Vision 2030". This is the brainchild of Saudi's Crown Prince Mohammed bin Salman. He hopes his initiative will revitalize many aspects of the economy and society. The Crown Prince is spearheading the development of a range of non-oil industries, like healthcare, mining and tourism.

Sources: cnbc.com / foxbusiness.com / reuters.com

Writing

Investing in shares is a great way to prepare for the future. Discuss.

Chat

Talk about these words from the article.

oil / producer / float / shares / excitement / speculators / individual / deep pockets / news agency / diversify / stock exchange / growth / ambitious / brainchild / economy

True / False

- a) Saudi Aramco is the world's second largest oil producer. T / F
- b) Saudi Aramco will float 5% of its shares on the Saudi Stock Exchange. T / F
- c) It could be the largest IPO in history. T / F
- d) Exxon Mobil is worth more than Saudi Aramco. T / F
- e) The article says the company CEO spoke to CNN about the IPO. T / F
- f) A later IPO may take place in Tokyo. T / F
- g) The IPO is part of a plan for Saudi Arabia to revitalize its economy. T / F
- h) Saudi's Crown Prince want the country to get into mining more. T / F

Synonym Match

(The words in **bold** are from the news article.)

- | | |
|-----------------------|-----------------|
| 1. anticipated | a. branch out |
| 2. investors | b. adversary |
| 3. snap up | c. variety |
| 4. rival | d. expected |
| 5. valuation | e. buy |
| 6. diversify | f. challenging |
| 7. reliant | g. reinvigorate |
| 8. ambitious | h. costing |
| 9. revitalize | i. dependent |
| 10. range | j. backers |

Discussion – Student A

- a) What do you think about what you read?
- b) What do you know about IPOs?
- c) How diversified is the economy of your country?
- d) How important are stock exchanges?
- e) What vision would you like your country to have?
- f) What aspects of your society would you like to revitalize?
- g) What are the most important industries for the future?
- h) What questions would you like to ask the company's CEO?

Phrase Match

- | | |
|--|---------------------------------|
| 1. it will float its shares | a. excitement among speculators |
| 2. much anticipated by | b. aspects of the economy |
| 3. The flotation is causing a lot of | c. pockets |
| 4. Investors with deep | d. oil giant Exxon Mobil |
| 5. its rival, the US | e. Saudi Arabia's economy |
| 6. the company's IPO will help diversify | f. on the Saudi Stock Exchange |
| 7. Further share offerings may | g. on oil |
| 8. heavily reliant | h. range of non-oil industries |
| 9. his initiative will revitalize many | i. financial analysts |
| 10. spearheading the development of a | j. take place later |

Discussion – Student B

- What do you know about Saudi Aramco?
- What do you think of oil companies?
- What do you think of shares?
- What exactly do financial analysts do?
- Have you ever speculated on anything?
- How deep are your pockets?
- What companies would you like shares in?
- What is the best company in the world?

Spelling

- ndeoancnu that it will float its shares
- much anticipated by financial asnlasty
- among supoctrseal worldwide
- individual vorestsin
- the world's most petrioabfl company
- a noataiuvl of a mere \$300 billion
- Saudi Arabia is heavily ntailer on oil
- seek ltaeaetnvri areas of growth
- part of an baioumtis plan
- He hopes his viiattniie will
- tvrezaeili many aspects of the economy
- danpesegaihr the development

Answers – Synonym Match

1. d	2. j	3. e	4. b	5. h
6. a	7. i	8. f	9. g	10. c

Role Play

Role A – Saudi Aramco

You think Saudi Aramco is the best company to buy shares in. Tell the others three reasons why. Tell them what is wrong with their companies. Also, tell the others which is the worst of these (and why): Apple, McDonald's or Mastercard.

Role B – Apple

You think Apple is the best company to buy shares in. Tell the others three reasons why. Tell them what is wrong with their companies. Also, tell the others which is the worst of these (and why): Saudi Aramco, McDonald's or Mastercard.

Role C – McDonald's

You think McDonald's is the best company to buy shares in. Tell the others three reasons why. Tell them what is wrong with their companies. Also, tell the others which is the worst of these (and why): Apple, Saudi Aramco or Mastercard.

Role D – Mastercard

You think Mastercard is the best company to buy shares in. Tell the others three reasons why. Tell them what is wrong with their companies. Also, tell the others which is the worst of these (and why): Apple, McDonald's or Saudi Aramco.

Speaking – Company shares

Rank these with your partner. Put the company you would most like shares in at the top. Change partners often and share your rankings.

- | | |
|--------------|----------------|
| • Chanel | • Saudi Aramco |
| • Amazon | • Apple |
| • Adidas | • McDonald's |
| • Mastercard | • Ferrari |

Answers – True False

a	F	b	F	c	T	d	F	e	F	f	T	g	T	h	T
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Answers to Phrase Match and Spelling are in the text.