



بنك الإمارات دبي الوطني
Emirates NBD

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Daily Outlook

The main data release today is from Germany with a timely update on the state of business confidence in the form of the monthly ZEW index. As this is for August it should capture much of the pessimism related to the Ukraine crisis and the unfolding of tit-for-tat sanctions between the EU and Russia. As such the expectation is that this could be very weak indeed, with both the 'current situation' component and the 'expectations' reading likely to reflect heightened business anxiety. This is because Germany's businesses have potentially much to lose from an escalating crisis, due to their dependence on Russian energy and their extensive corporate relationships.

Another example of the Ukraine impact on Europe was provided by Sweden yesterday. Sweden's finance minister said that the government will probably cut its growth forecast to 2.5% in 2014 and 3.1% in 2015 vs the July estimate of 2.7% and 3.3% respectively. The announcement reflects the negative impact of the fallout from the crisis in Ukraine and sluggish recoveries in Europe which are taking their toll on export-reliant nations. Almost half of Sweden's GDP is from export to other European nations.

Stock markets in the developed world staged a relief rally with most indices finishing the day in positive territory yesterday owing to the easing of tension in Ukraine and US showing signs of pushing back militants in Iraq. In the fixed-income space, eurozone peripherals were in demand as Spanish and Italian 10-year Bund spreads tightened. Brent crude traded near its lowest level in nine months as US air strikes were seen diminishing the threat to oil supplies. In Asia this morning equity markets are continuing to rally. Finally Turkey's presidential election ended peacefully with Recep Tayyip Erdogan winning 52% of the votes and being elevated to be the President.

WTI oil price eases on waning regional concerns



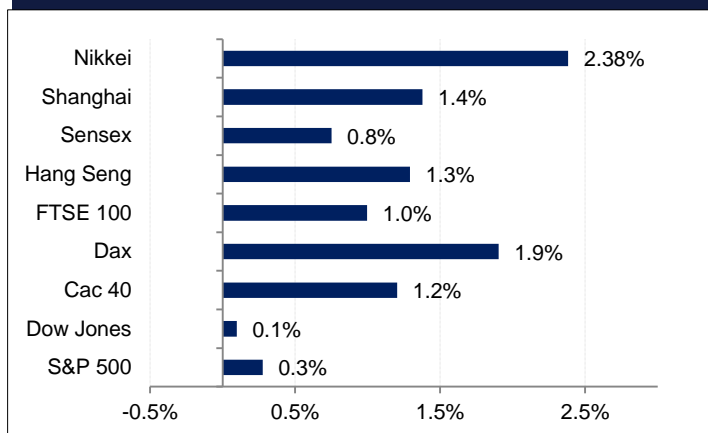
Source: Bloomberg, Emirates NBD Research

Day's Economic Data and Events

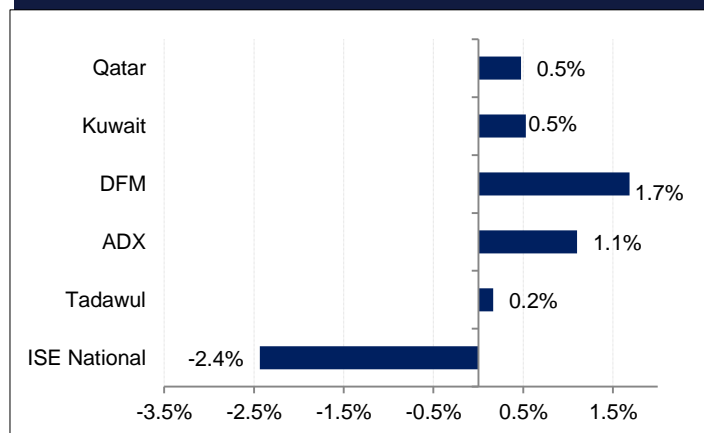
	Time	Cons		Time	Cons
Germany ZEW Index	13.00	17.0	India CPI	16.00	7.40%
India industrial production	16.00	5.6%			

Source: Bloomberg, Emirates NBD Research

Global Equity Indices



MENA Equity Indices



Currencies

	Close	%1D chg	1 yr fwd		Close	%1D chg		Close	%1D chg
EURUSD	1.3385	-0.19	1.3417	USDTRY	2.1505	+0.25	EURAUD	4.9168	-0.19
GBPUSD	1.6783	+0.04	1.6697	USDEGP	7.1502	+0.00	GBPAED	6.1660	+0.07
USDJPY	102.19	+0.15	101.78	USDSAR	3.7510	+0.02	JPYAED	0.0359	-0.16
USDCAD	1.0921	-0.47	1.1013	USDQAR	3.6413	-0.01	CADAED	3.3632	+0.48
AUDUSD	0.9262	-0.14	0.9042	USDKWD	0.2836	-0.04	AUDAED	3.4018	-0.13
USDCHF	0.9066	+0.13	0.9027	USDBHD	0.3770	--	CHFAED	4.0514	-0.14
EURGBP	0.7974	-0.26	0.8033	USDOMR	0.3850	--	TRYAED	1.7080	-0.25
USDAED	3.6730	--	3.6711	USDINR	61.1787	+0.06	INRAED	0.0601	-0.01

Rates

Interbank	1 mo	3mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	0.3971	0.7214	0.9043	1.0643	USD 2 yr	0.677	--
USD LIBOR	0.1555	0.2338	0.3281	0.5545	USD 5 yr	1.776	-1
GBP LIBOR	0.4994	0.5609	0.7119	1.0679	USD 10 yr	2.587	+1
EURIBOR	#N/A	#N/A	#N/A	#N/A	EUR 2 yr	0.324	-1
JPY LIBOR	0.0914	0.1293	0.1779	0.3354	EUR 5 yr	0.618	-2
CHF LIBOR	0.0030	0.0200	0.0764	0.1934	EUR 10 yr	1.303	+1

Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold	1308.55	-0.18	ADGB 6.75 19	1.90	+1	Abu Dhabi	57	+1
Silver	20.02	+0.63	DUGB 7.75 20	3.11	+0	Dubai	175	-5
Oil (WTI)	98.08	+0.44	QATAR 6.55 19	1.90	-3	Qatar	62	--
Aluminium	2020.25	+0.02	US Tsy 2 yr	0.44	-0	Saudi Arabia	56	-1
Copper	7011.00	+0.00	US Tsy 10 yr	2.43	+1	Bahrain	175	--

Source: Bloomberg, Emirates NBD Research

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