



بنك الإمارات دبي الوطني  
Emirates NBD

Daily  
14 July 2014

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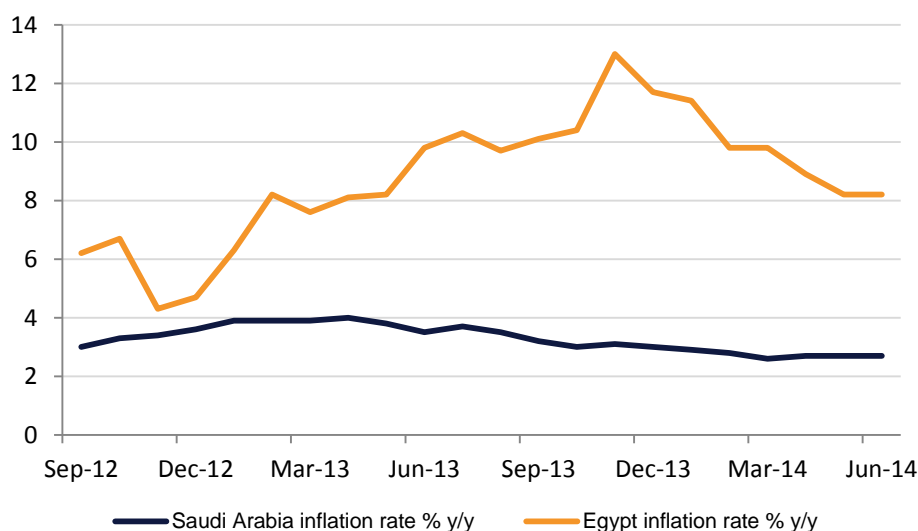
## Daily Outlook

**Saudi Arabia's cost of living index rose 0.2% m/m and 2.7% y/y in June.** The annual inflation rate was unchanged from May. Higher housing and transport costs were offset by lower food, clothing and healthcare prices. Inflation in the Kingdom has been lower than we had expected through H1 2014, and we have recently revised down our full year inflation forecast to 3.0% from 4.0% previously.

**Headline consumer price inflation in Egypt came in at 8.2% y/y in June, also unchanged from May.** In month-on-month terms, prices increased 0.9%. Core CPI – which strips out more volatile items – fell to a one-year low of 8.8%, down from 8.9% in May. Looking ahead, it appears that price pressures are set to rise significantly over the coming months, particularly on the back of recently introduced subsidy reforms which has seen the prices of certain energy products increase approximately 75%. We are forecasting headline inflation to hit 11.0% by the end of 2014, although risks are now tilted to the upside.

**India was in focus at the end of last week as the new government presented its first budget.** The Nifty index dropped -3.8% 5d even though the budget was more-or-less along expected lines, although there were some hopes there might be something more dramatic. It was more of a work-man like budget which laid greater focus on reviving growth and boosting infrastructure even as it strived to achieve fiscal prudence. Even though the Finance Minister admitted in his budget speech that the proposed fiscal deficit target of 4.1% for FY 2015 is ambitious, he not only stuck to it but also promised to bring down the fiscal deficit to 3.0% in the next two years. The finance minister also took a series of steps to boost investor confidence and foreign inflows into the country.

### Regional inflation rates were steady in June



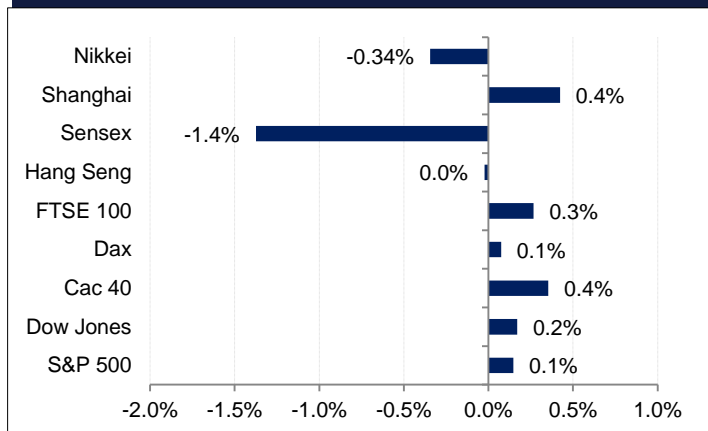
Source: Bloomberg, Emirates NBD Research

### Day's Economic Data and Events

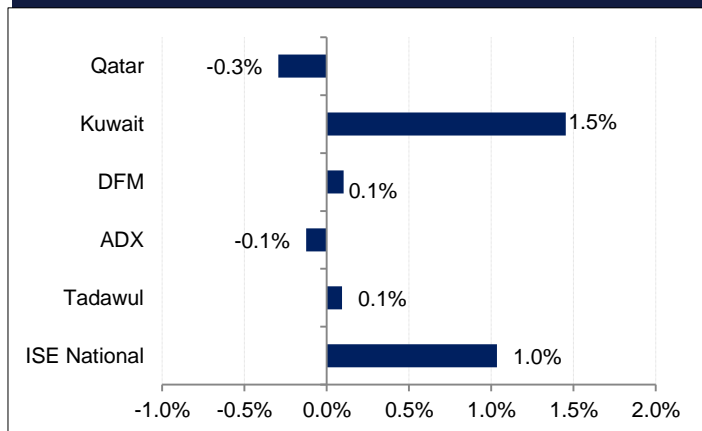
	Time	Cons		Time	Cons
India WPI	10.30	5.73%	India CPI % y/y	16.00	7.7%
EU Industrial production	13.00	-1.2%			

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	1.3608	-0.01	1.3638	USDTRY	2.1176	-0.31	EURAUD	4.9980	-0.01
GBPUSD	1.7113	-0.03	1.7025	USDEGP	7.1518	+0.03	GBPAED	6.2913	-0.02
USDJPY	101.30	-0.04	100.93	USDSAR	3.7505	--	JPYAED	0.0362	-0.03
USDCAD	1.0734	+0.79	1.0828	USDQAR	3.6403	-0.02	CADAED	3.4224	-0.77
AUDUSD	0.9392	-0.03	0.9167	USDKWD	0.2824	+0.10	AUDAED	3.4495	-0.03
USDCHF	0.8922	-0.01	0.8884	USDBHD	0.3770	+0.00	CHFAED	4.1162	-0.01
EURGBP	0.7951	+0.09	0.8010	USDOMR	0.3850	--	TRYAED	1.7345	+0.31
USDAED	3.6729	-0.00	3.6713	USDINR	59.9375	-0.44	INRAED	0.0611	-0.06

## Rates

Interbank	1 mo	3mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	0.4000	0.7071	0.9043	1.0757	USD 2 yr	0.618	-1
USD LIBOR	0.1520	0.2336	0.3257	0.5497	USD 5 yr	1.744	-1
GBP LIBOR	0.4956	0.5547	0.7094	1.0546	USD 10 yr	2.628	-2
EURIBOR	0.0930	0.2030	0.3050	0.4870	EUR 2 yr	0.315	+0
JPY LIBOR	0.0950	0.1329	0.1786	0.3300	EUR 5 yr	0.638	-0
CHF LIBOR	-0.0080	0.0120	0.0714	0.1904	EUR 10 yr	1.419	+1

## Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold	1338.62	+0.21	ADGB 6.75 19	1.86	-0	Abu Dhabi	50	--
Silver	21.45	+0.20	DUGB 7.75 20	3.16	-0	Dubai	156	--
Oil (WTI)	100.83	-2.04	QATAR 6.55 19	1.95	-0	Qatar	53	--
Aluminium	1920.00	+1.12	US Tsy 2 yr	0.45	-1	Saudi Arabia	52	--
Copper	7173.50	-0.08	US Tsy 10 yr	2.52	-2	Bahrain	168	-2

Source: Bloomberg, Emirates NBD Research

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