



بنك الإمارات دبي الوطني
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Daily Outlook

The divergent fortunes of the U.S. and Eurozone economies came into further focus at the end of last week, with the former seeing an unexpected upward revision to its Q2 GDP print, while the latter appeared to be heading towards deflation. In Europe, inflation across the common currency zone fell to a near five-year low of only 0.3%, adding further pressure on the ECB to enact some form of unconventional monetary easing at its next meeting on September 4. That said, with core inflation rising to 0.9% from 0.8%, and ECB President Draghi previously stating that the new policy measures introduced in June still need to run their course, this week's meeting may disappoint those who believe additional monetary easing is imminent.

The start of this week may be relatively quiet given the holiday in North America, but the days ahead are filled with central bank meetings, with the BOJ, BOE and RBA all set to decide policy. In each case however, we are not expecting any changes. In the U.S., ISM manufacturing and non-manufacturing surveys will be released, but the main highlight as always will remain Friday's jobs report. Consensus at the moment sees a relatively strong reading, with non-farm payrolls up 225k, and a drop in the unemployment rate to 6.1% from 6.2%.

Two separate Chinese manufacturing surveys were released earlier this morning, both of which showed slowing activity in August. The official PMI dropped to 51.1 from 51.7 in July, while the headline reading in the HSBC report came in at only 50.2 in the month. The initial reaction to this data saw equity markets in Asia bounce, as expectations grew that Beijing might announce new stimulus measures to bolster economic activity.

The Central Bank of Egypt revised July's inflation figures higher, and put headline CPI at 11.0%, compared to their initial estimate of 10.6%, and the final reading of 8.2% in June. Core inflation rose to 9.6%, compared to 8.8% the previous month.

Eurozone Inflation Falls Further



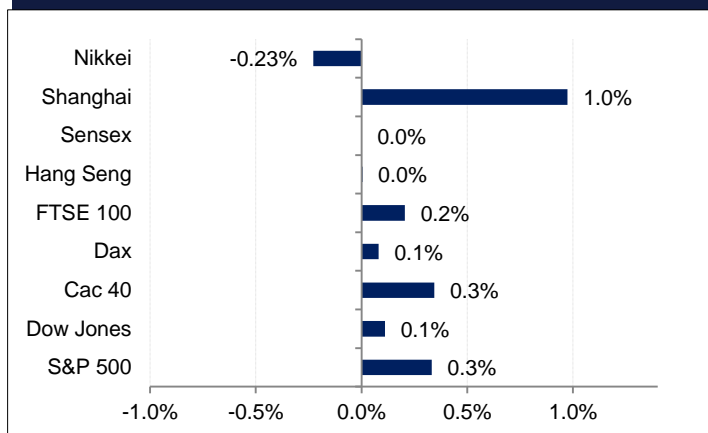
Source: Bloomberg, Emirates NBD Research

Day's Economic Data and Events

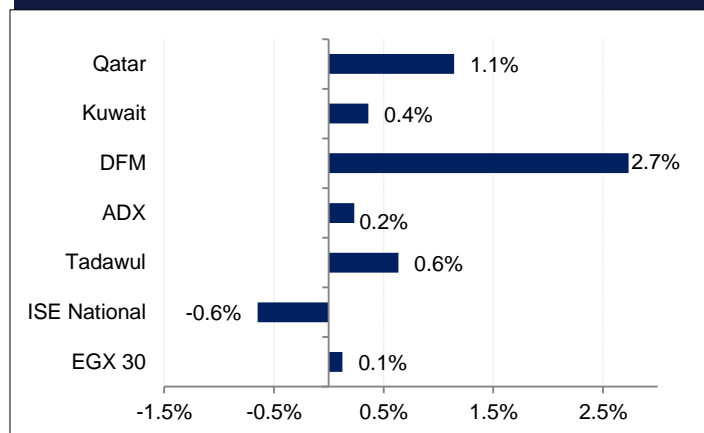
	Time	Cons		Time	Cons
UK CIPS Manufacturing Report	13:30	55.1	Egypt Interest Rate Decision	-	9.25%

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	1.3132	-0.38	1.3179	USDTRY	2.1630	+0.23	EURAUD	4.8235	-0.38
GBPUSD	1.6598	+0.07	1.6524	USDEGP	7.1508	+0.01	GBPAED	6.0966	+0.08
USDJPY	104.09	+0.36	103.65	USDSAR	3.7504	--	JPYAED	0.0353	-0.34
USDCAD	1.0878	+0.16	1.0970	USDQAR	3.6415	+0.01	CADAED	3.3753	-0.20
AUDUSD	0.9339	-0.19	0.9115	USDKWD	0.2848	+0.08	AUDAED	3.4311	-0.17
USDCHF	0.9182	+0.34	0.9126	USDBHD	0.3770	-0.00	CHFAED	3.9982	-0.37
EURGBP	0.7912	-0.45	0.7976	USDOMR	0.3850	-0.00	TRYAED	1.6981	-0.23
USDAED	3.6730	--	3.6708	USDINR	60.7700	-0.55	INRAED	0.0606	+0.04

Rates

Interbank	1 mo	3mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	0.3971	0.7143	0.9029	1.0400	USD 2 yr	0.714	-0
USD LIBOR	0.1570	0.2336	0.3299	0.5656	USD 5 yr	1.775	+0
GBP LIBOR	0.5009	0.5596	0.7056	1.0534	USD 10 yr	2.498	+1
EURIBOR	0.0880	0.1970	0.2970	0.4770	EUR 2 yr	0.267	-1
JPY LIBOR	0.0929	0.1279	0.1757	0.3293	EUR 5 yr	0.502	+0
CHF LIBOR	0.0020	0.0180	0.0684	0.1744	EUR 10 yr	1.090	+2

Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold	1287.81	-0.15	ADGB 6.75 19	1.79	-0	Abu Dhabi	52	-1
Silver	19.47	-0.19	DUGB 7.75 20	2.92	-2	Dubai	157	+3
Oil (WTI)	95.96	+1.49	QATAR 6.55 19	1.85	+4	Qatar	54	+1
Aluminium	2086.50	+0.11	US Tsy 2 yr	0.49	-1	Saudi Arabia	51	+1
Copper	7008.50	+0.67	US Tsy 10 yr	2.34	+1	Bahrain	165	+2

Source: Bloomberg, Emirates NBD Research

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