



بنك الإمارات دبي الوطني
Emirates NBD

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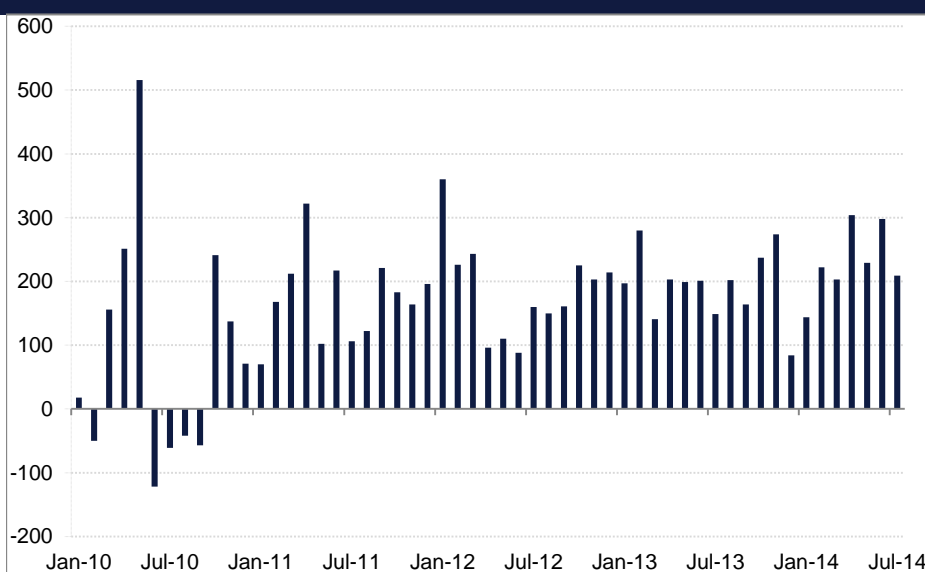
Daily Outlook

The coming days will be relatively quiet on the data front, particularly following the flurry of first-tier releases that came out last week. In the United States, the main events will be the ISM non-manufacturing index, which is expected to be firm, in addition to the trade deficit that is likely to be steady, both of which should help to keep the USD's advances intact. Despite July's non-farm payrolls figures coming in below expectations (206k) and the unemployment rate rising slightly (6.2%), the majority of recent activity indicators suggest the economic expansion continues to gain momentum.

Data released late last week showed Eurozone inflation fell to 0.4% in July, its lowest levels since 2009, maintaining the pressure on the ECB to continue providing monetary policy accommodation through the end of the year and into 2015. Core CPI was unchanged at 0.8%, however, which may give the ECB some reassurance that the overall decline is probably due to volatile energy and food prices rather than underlying price weakness. The ECB meets in the week ahead but is unlikely to respond to the latest inflation decline, preferring to wait to see the impact of earlier credit easing measures. In the absence of first-tier data, there is a risk that markets take their cues less from economic fundamentals and more from shifting sentiment due to geopolitical concerns out of Eastern Europe. The new round of sanctions introduced last week targeting an array of Russian sectors has the potential to undermine sentiment – and hence growth – in Europe over the coming months.

Average OPEC oil production dropped slightly in July to 30.2mn b/d, compared to 30.3mn b/d registered in June and 30.9mn in the same month last year. For the first seven months of 2014, total OPEC output has averaged 30.1mn b/d, down 2.2% in year-on-year terms. The fall in aggregate production in July was due almost exclusively to lower output from Iran and Iraq, which saw drops of 140k b/d and 100k respectively. In the GCC (excluding Oman and Bahrain) average oil production sat at 16.2mn b/d in July, representing an increase of 100k compared to June's levels.

US Non-Farm Payrolls Hit 209k in July



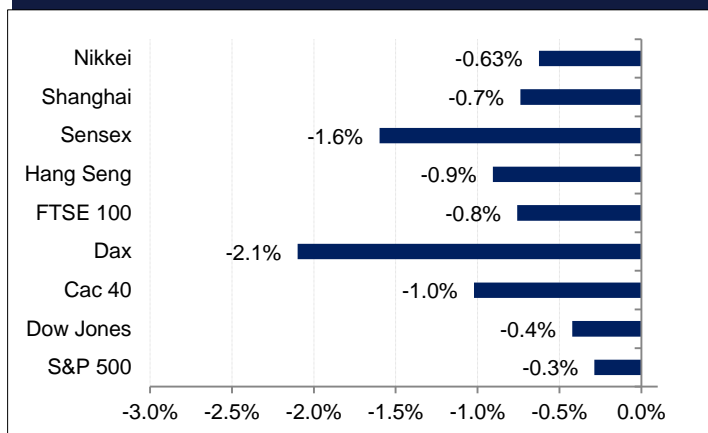
Source: Bloomberg, Emirates NBD Research

Day's Economic Data and Events

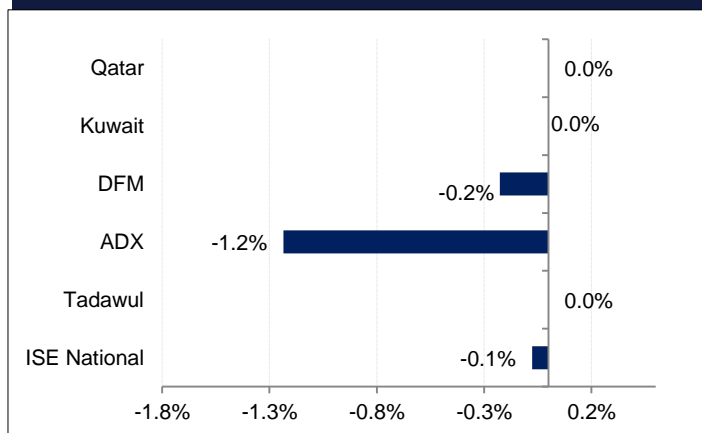
	Time	Cons		Time	Cons
UK CIPS Construction Report	12:30	62.0	Eurozone PPI	13:00	0.0%

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	1.3427	+0.28	1.3455	USDTRY	2.1338	-0.37	EURAUD	4.9318	+0.25
GBPUSD	1.6821	-0.38	1.6736	USDEGP	7.1508	+0.02	GBPAED	6.1772	-0.40
USDJPY	102.61	-0.18	102.20	USDSAR	3.7505	+0.03	JPYAED	0.0358	+0.18
USDCAD	1.0916	+0.09	1.1008	USDQAR	3.6413	+0.01	CADAED	3.3637	-0.13
AUDUSD	0.9312	+0.18	0.9088	USDKWD	0.2832	-0.05	AUDAED	3.4203	+0.18
USDCHF	0.9059	-0.32	0.9021	USDBHD	0.3770	-0.00	CHFAED	4.0540	+0.31
EURGBP	0.7985	+0.69	0.8042	USDOMR	0.3850	--	TRYAED	1.7213	+0.37
USDAED	3.6730	--	3.6709	USDINR	61.1850	+1.03	INRAED	0.0604	+0.19

Rates

Interbank	1 mo	3mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	0.4000	0.7214	0.9043	1.0757	USD 2 yr	0.682	-5
USD LIBOR	0.1560	0.2381	0.3344	0.5781	USD 5 yr	1.806	-8
GBP LIBOR	0.5010	0.5601	0.7142	1.0684	USD 10 yr	2.635	-6
EURIBOR	0.0970	0.2080	0.3080	0.4890	EUR 2 yr	0.336	+0
JPY LIBOR	0.0936	0.1300	0.1779	0.3443	EUR 5 yr	0.641	-0
CHF LIBOR	0.0010	0.0180	0.0764	0.2014	EUR 10 yr	1.354	-2

Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold		+0.84	ADGB 6.75 19	1.89	+0	Abu Dhabi	55	+1
Silver	20.33	-0.33	DUGB 7.75 20	3.12	+0	Dubai	171	+6
Oil (WTI)	97.88	-0.30	QATAR 6.55 19	1.95	+0	Qatar	56	-1
Aluminium	1962.50	-0.81	US Tsy 2 yr	0.47	-6	Saudi Arabia	58	+2
Copper	7088.50	-0.66	US Tsy 10 yr	2.49	-7	Bahrain	175	--

Source: Bloomberg, Emirates NBD Research

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