



بنك الإمارات دبي الوطني
Emirates NBD

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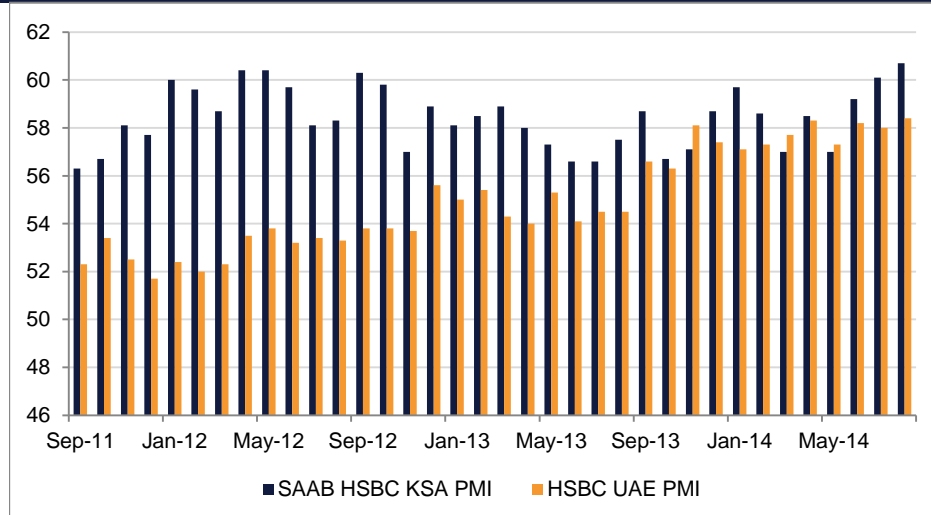
Daily Outlook

Regional activity data released yesterday continued to reveal contrasting fortunes between the GCC and the non-GCC parts of the MENA region. **While both the KSA and the UAE PMI surveys reached historic highs in August (at 60.7 and 58.4 respectively) on strengthening domestic and external demand, the performance of the non-GCC countries remained much weaker, although Egypt showed some encouraging signs of moving into tentative expansion territory during the month.** Its PMI index came in at 51.6, compared to 49.0 in July, the fastest growth in the non-oil sector so far this year, and was well above the 41-month series average of 48.4.

Lebanon's PMI index by contrast fell back further into contraction territory, and appears to be sliding downwards at an ever increasing pace, with the index reaching 45.5 down from 47.9 in July. This is perhaps not surprising, however, with most of the respondents appearing to place blame for the fall in business activity on the security situation, and in particular, the impact this continues to have on the tourism sector. By the same token the respondents in the Egypt survey attributed the boost in sentiment to improving economic and political conditions.

Today the main focus will be on the ECB meeting in Europe. Following on from dovish comments from President Draghi at the Jackson Hole symposium over a week ago the markets will be looking to see if more monetary policy stimulus will be forthcoming. Draghi noted at Jackson Hole that inflationary expectations in the Eurozone had declined significantly across all horizons, and that the ECB stood ready to adjust its policy stance further. **Given past experience we would be surprised if the ECB were to produce more easing measures just yet, so soon after they cut interest rates into negative territory in June.** However, Draghi is likely to remain dovish and will probably indicate the ECB's preparedness to do more should the situation not improve in the near future.

GCC PMI activity series reach historic highs



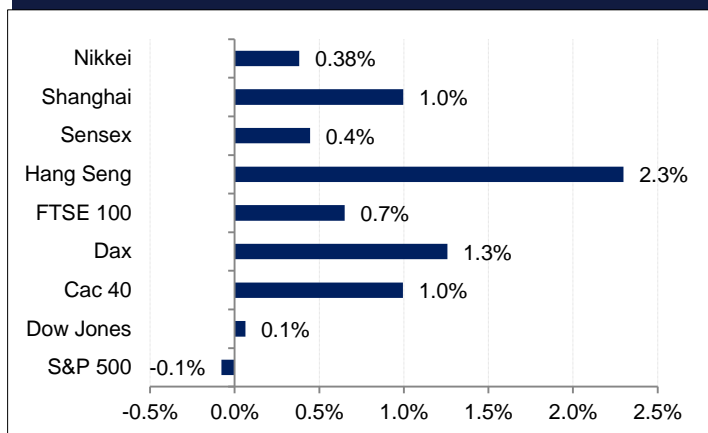
Source: Markit, SAAB, HSBC, Bloomberg, Emirates NBD Research

Day's Economic Data and Events

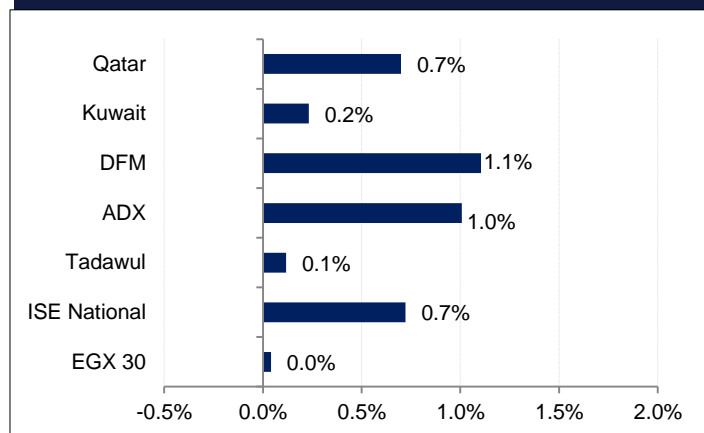
	Time	Cons		Time	Cons
UK BOE Policy rates %	15.00	0.50	US International trade	16.30	-42.4b
ECB Refinance rate %	15.45	0.15	US ISM services	18.00	57.7

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	1.3150	+0.13	1.3198	USDTRY	2.1572	-0.71	EURAUD	4.8301	+0.13
GBPUSD	1.6448	-0.23	1.6374	USDEGP	7.1512	+0.02	GBPAED	6.0464	-0.05
USDJPY	104.79	-0.29	104.33	USDSAR	3.7505	--	JPYAED	0.0350	+0.26
USDCAD	1.0888	-0.38	1.0980	USDQAR	3.6413	--	CADAED	3.3735	+0.38
AUDUSD	0.9347	+0.79	0.9119	USDKWD	0.2851	-0.05	AUDAED	3.4329	+0.76
USDCHF	0.9177	-0.14	0.9127	USDBHD	0.3770	--	CHFAED	4.0027	+0.15
EURGBP	0.7989	+0.18	0.8054	USDOMR	0.3850	--	TRYAED	1.7027	+0.72
USDAED	3.6730	--	3.6706	USDINR	60.7700	-0.55	INRAED	0.0608	+0.30

Rates

Interbank	1 mo	3mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	0.3986	0.7114	0.8929	1.0400	USD 2 yr	0.728	-1
USD LIBOR	0.1561	0.2341	0.3289	0.5656	USD 5 yr	1.792	-2
GBP LIBOR	0.5016	0.5619	0.7069	1.0515	USD 10 yr	2.516	-4
EURIBOR	0.0880	0.1970	0.2970	0.4770	EUR 2 yr	0.263	+0
JPY LIBOR	0.0936	0.1279	0.1757	0.3271	EUR 5 yr	0.502	-0
CHF LIBOR	0.0020	0.0180	0.0714	0.1814	EUR 10 yr	1.144	+1

Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold	1269.44	+0.32	ADGB 6.75 19	1.80	+0	Abu Dhabi	52	--
Silver	19.18	+0.04	DUGB 7.75 20	2.93	+1	Dubai	157	-1
Oil (WTI)	95.54	+2.86	QATAR 6.55 19	1.88	+2	Qatar	54	--
Aluminium	2061.50	-1.32	US Tsy 2 yr	0.52	-1	Saudi Arabia	51	--
Copper	6926.00	-0.82	US Tsy 10 yr	2.40	-2	Bahrain	165	--

Source: Bloomberg, Emirates NBD Research

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