



بنك الإمارات دبي الوطني
Emirates NBD

Economics

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UAE PMI at 16 month high in April

The Emirates NBD Purchasing Managers' Index (PMI) for the UAE rose to 57.6 in April from 55.7 in March, the highest reading since December 2017. The headline index signals an improvement in business conditions driven by higher output and new work. Output rose by the most in more than 4 years with nearly 37% of firms surveyed reporting higher output/ business activity last month relative to March.

New orders also rose at the fastest rate since December 2017. Panellists reported improving demand conditions, although this was helped by further price discounting. External demand improved as well last month, with businesses reporting increased orders from Saudi Arabia, Oman, Kuwait and Europe.

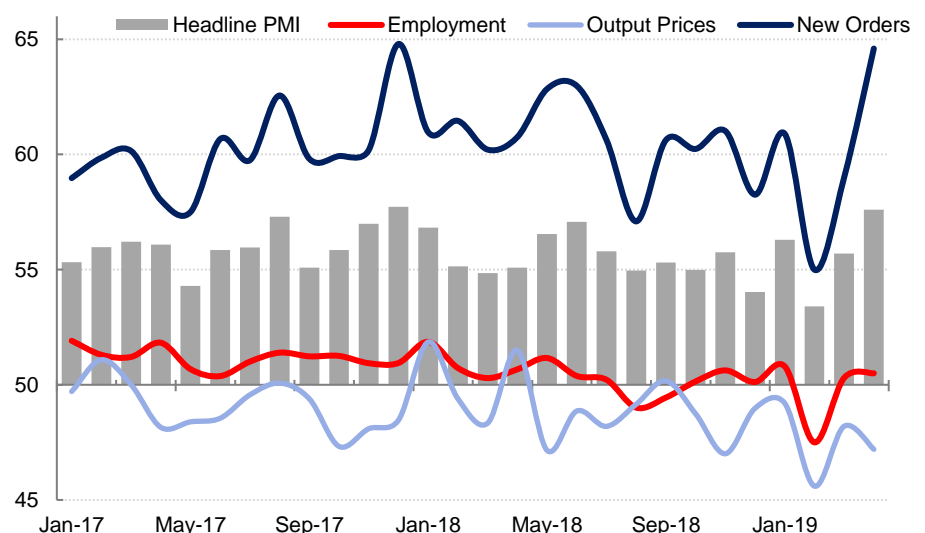
Selling prices declined on average for the 7th month in a row in April, as firms offered promotions to attract new business in a competitive marketplace. However, input cost pressures eased last month as well, providing some relief for firms' margins.

Despite the rise in the volume of activity and new orders in April, job creation was marginal. Just over 3% of panellists reported increased employment in April, on the back of increased workloads, while 0.7% of firms reported a decline in employment last month. Most firms have kept headcount unchanged over the last couple of months, as they attempt to limit operating expenses. Staff costs were largely unchanged in April.

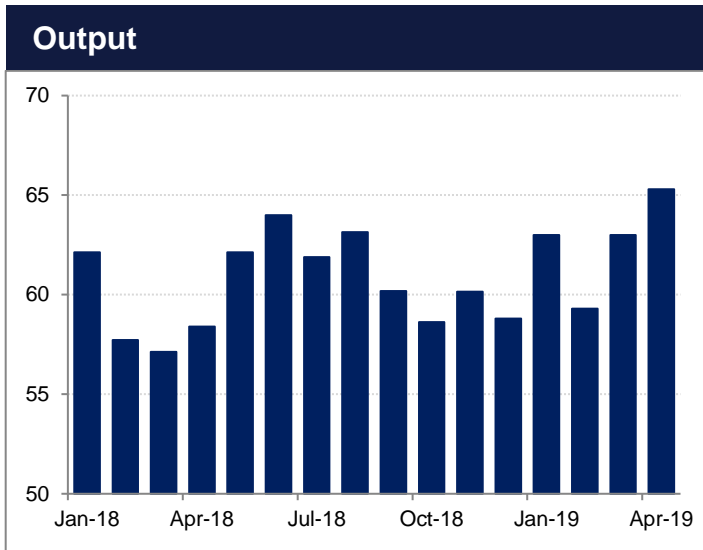
The quantity of purchases increased sharply in April, consistent with higher output and new orders. Stocks of inventory have also increased since the start of the year, although at a much slower rate than overall purchasing activity, suggesting that firms are becoming more efficient in their inventory management.

Business optimism reached a series high in April, with the future output index rising to 90.8. More than 80% of firms expected their output to be higher in a year's time, while none predicted a decline.

Rising output and new work is not boosting employment



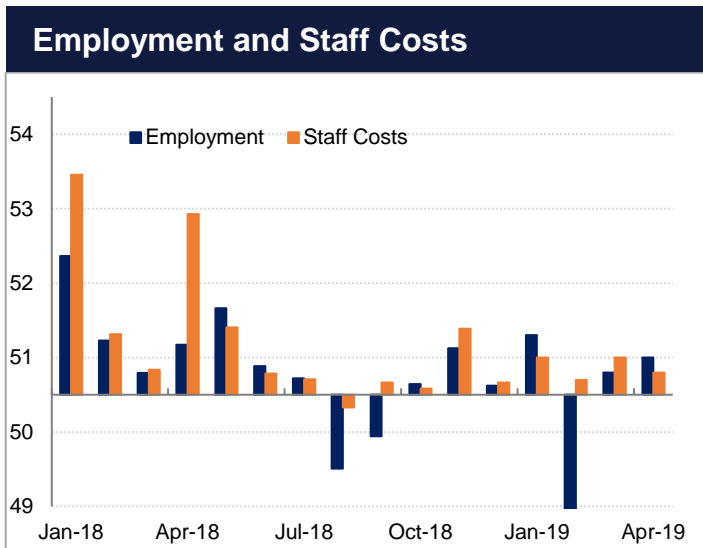
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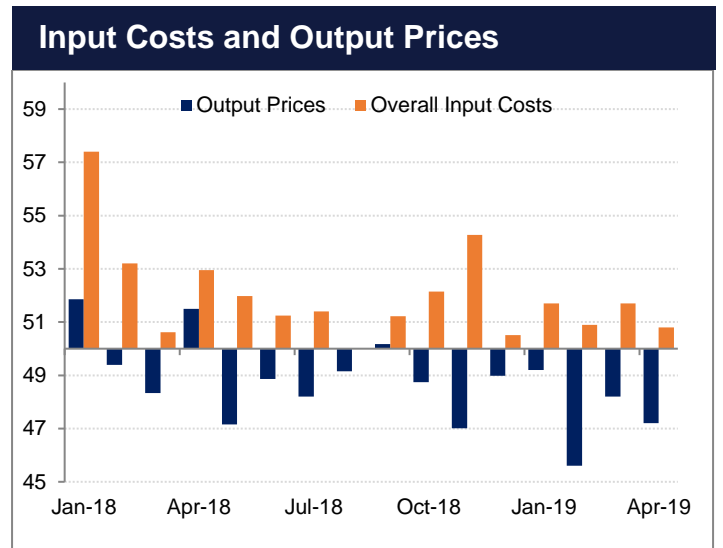
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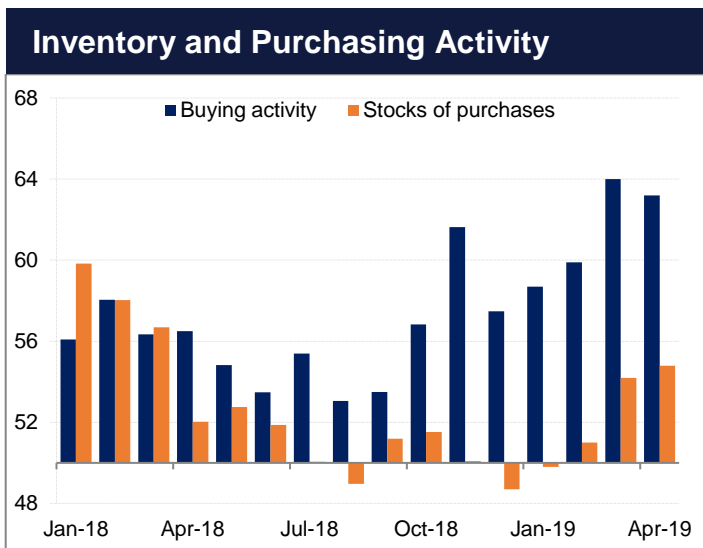
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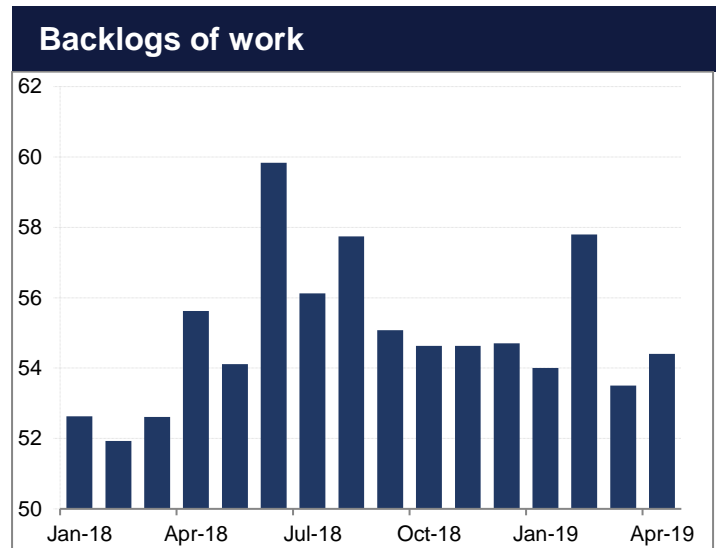
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