



بنك الإمارات دبي الوطني
Emirates NBD

Daily
18 April 2019

Daily Outlook

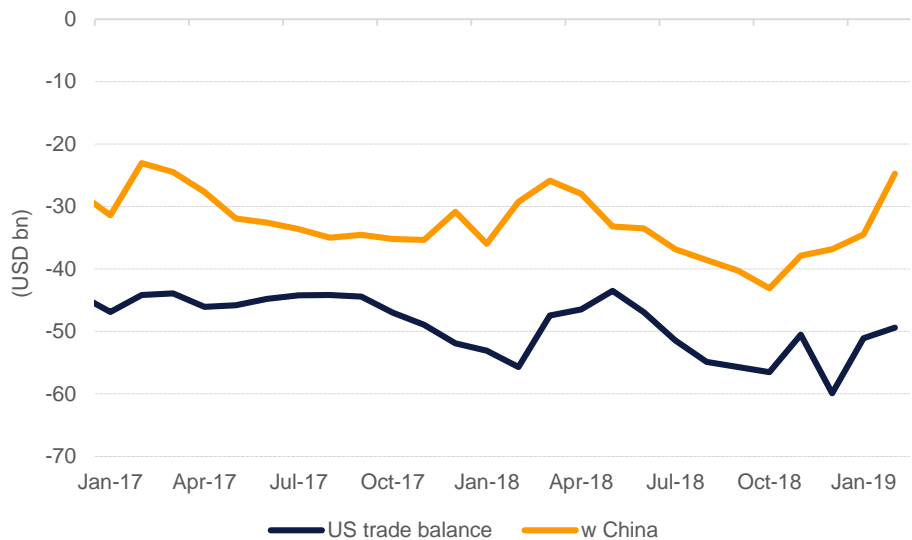
The US trade deficit narrowed to USD 49.4bn in February, its smallest level since June of last year. Exports expanded by 1.1% m/m while imports declined by 0.5% m/m. The trade deficit specifically with China narrowed sharply to USD 24.8bn, down 29%, as there was a major drop in imports from China thanks to tariffs that the US has put in place. The overall trade deficit was smaller than expected and means that trade won't be as big a draw on GDP growth for Q1.

UK consumer prices rose by 1.9% in March, flat month on month and below market expectations for an acceleration. Lower food prices and recreation costs helped keep the index below 2%. Higher utility bills will help push inflation back up toward and over 2%, setting the market up for a Bank of England rate hike at some point either at the end of 2019 or next year provided Brexit proceeds in an orderly manner.

Japan's manufacturing PMI remained in contraction for April although the pace of decline slowed. The Markit Japan PMI index hit 49.5 in April, from 49.2 a month earlier, its third month in a row below 50. New export orders declined, however, as there had still been uncertainty over trade negotiations between the US and China and how any deal would affect other Asian economies.

Abu Dhabi has amended real estate laws to allow foreigners to buy freehold property in the emirate in certain designated zones. The change should help to encourage more foreign direct investment into Abu Dhabi as previously only UAE and GCC nationals could own freehold land.

The Trump effect: US trade deficit with China narrows



Source: EIKON, Emirates NBD Research

Today's Economic Data and Events

	Time	Cons		Time	Cons
FR flash manuf. PMI	11:15	50	EZ flash comp PMI	12:00	51.8
UK retail sales	12:30	-0.3%	US initial jobless claims	16:30	205k
US retail sales m/m	16:30	0.9%	US flash comp PMI	17:45	52.8

Source: EIKON, Emirates NBD Research.

Fixed Income

The risk-on move in assets took a pause overnight and helped push USTs higher. Yields across the curve slipped with 2yr down 1bp and the 10yr down less than 1bp overnight. Both tenors continue to see yields decline this morning by around 1bp apiece.

GCC bonds were stable yesterday with average yield on Bloomberg Barclays index closing unchanged at 4.06% amid no change in credit spreads at 157 bps.

The primary market awaits offerings from IDB and Majid Al Futtaim.

FX

The DXY index held steady overnight as gains in the Euro were offset by modest declines in Sterling. A more active market calendar today with Eurozone and US PMIs may help to shake currencies out of their current ranges.

Both TRY and IND managed to appreciate overnight as political events affect both Turkey and India. There is still no clear outcome from local elections in Turkey, meanwhile national elections are underway in India.

Equities

Global equity markets saw a mixed performance overnight with gains in Europe offset by declines in the US. The S&P 500 fell 0.2% thanks to weaker health care stocks while in Europe the Dax and CAC were both up by 0.6%.

Regionally markets were all positive. The Tadawul added 1.1% overnight while the DFM was up nearly 0.8% and the Abu Dhabi exchange added 0.5%.

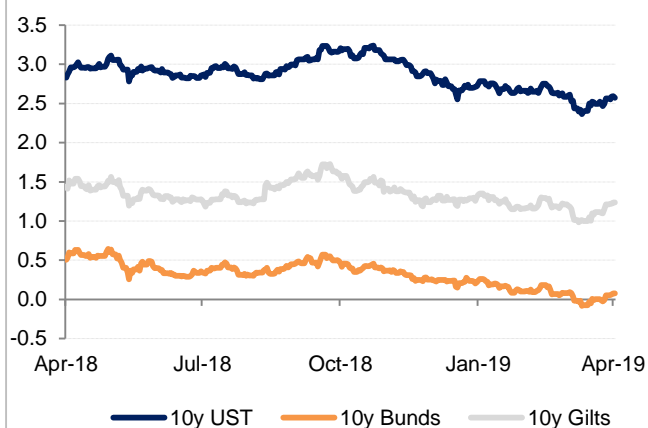
Commodities

Oil prices slipped marginally overnight despite a drop in US crude stocks. WTI futures fell 0.45% to USD 63.76/b while Brent decline to USD 71.62/b, down just USD 0.1/b. crude inventories in the US fell by 1.4m bbl last week, smaller than the decline estimated by the EIA, while production fell by 100k b/d to still enormous level of 12.1m b/d. Exports stabilized and a drop in imports looks likely to have helped contribute to the decline in stockpiles.

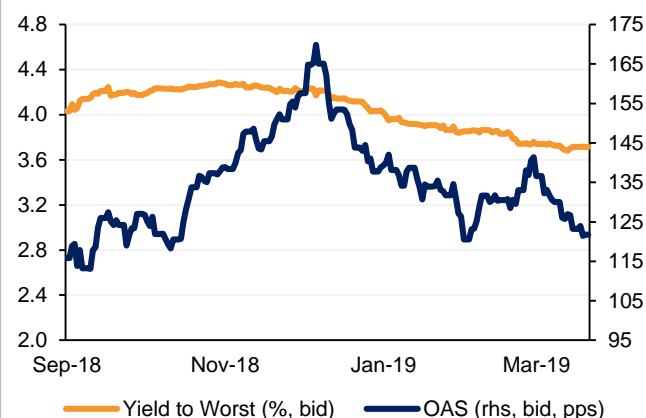
Gold prices are holding around their lowest levels in 2019 as the healthy economic data out of China has helped to buoy risk sentiment. The yellow metal has declined nearly 11% ytd and is trading around USD 1,270/troy oz.

Markets in Charts

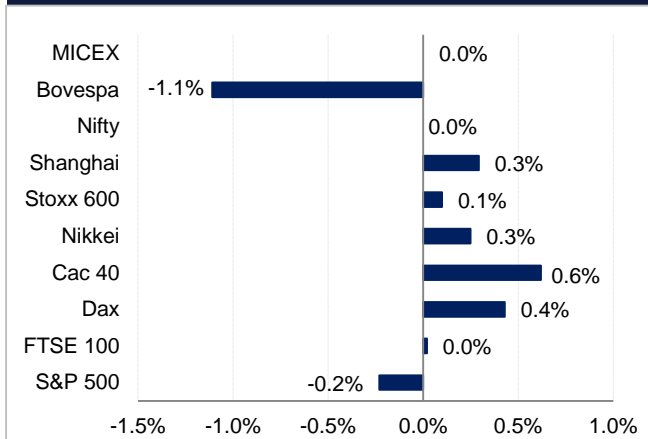
Global Bond Yields



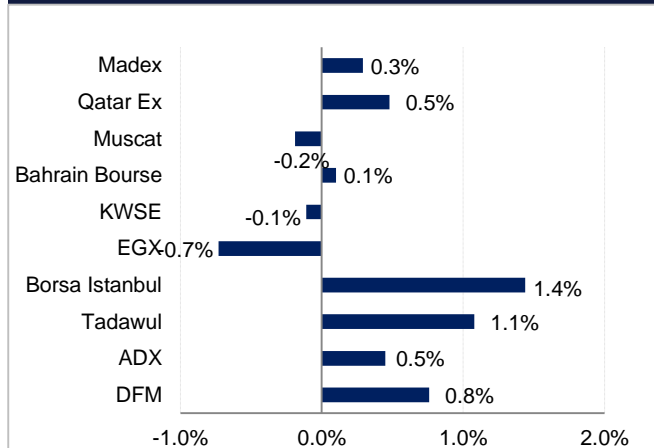
UAE liquid bond index



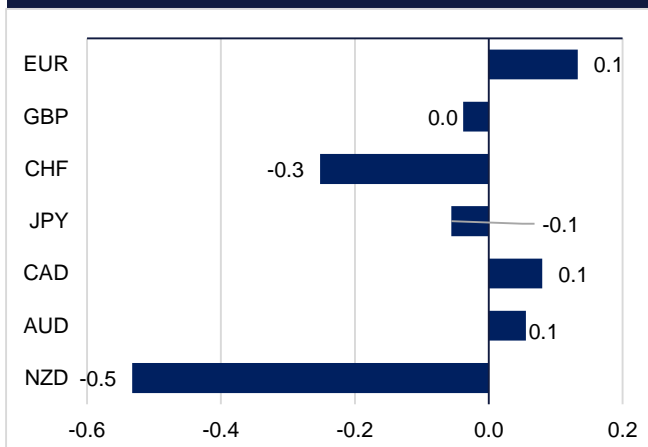
Global Equity Indices



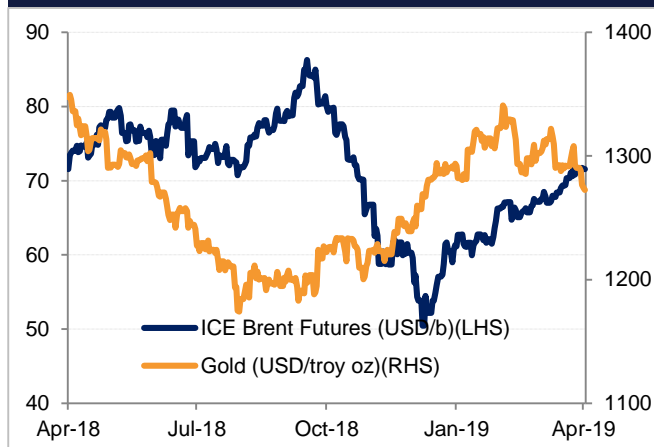
MENA Equity Indices



% change versus USD



Commodities



Source: Bloomberg, Emirates NBD Research

Currencies

	Close	%1D chg	1 yr fwd		Close	%1D chg		Close	%1D chg
EURUSD	1.1296	+0.13	1.1646	USDTRY	5.7424	-0.48	EURAUD	4.1484	+0.12
GBPUSD	1.3043	-0.04	1.3266	USDEGP	17.2725	-0.16	GBPAED	4.7895	-0.08
USDJPY	112.06	+0.05	108.81	USDSAR	3.7502	--	JPYAED	0.0328	-0.06
USDCAD	1.3341	-0.07	1.3235	USDQAR	3.6800	+1.08	CADAED	2.7530	+0.06
AUDUSD	0.7179	+0.06	0.7237	USDKWD	0.3039	--	AUDAED	2.6367	+0.05
USDCHF	1.0105	+0.25	0.9764	USDBHD	0.3771	--	CHFAED	3.6347	-0.26
EURGBP	0.8663	+0.20	0.8781	USDOMR	0.3850	+0.00	TRYAED	0.6400	+0.54
USDAED	3.6730	--	3.6765	USDINR	70.7225	-0.64	INRAED	0.0552	+4.57

Rates

Interbank	1 mo	3mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	2.5988	2.8763	3.0085	3.1265	USD 2 yr	2.501	-1
USD LIBOR	2.4798	2.6009	2.6314	2.7553	USD 5 yr	2.441	-0
GBP LIBOR	0.7339	0.8218	0.9471	1.1046	USD 10 yr	2.587	+1
JPY LIBOR	-0.0907	-0.0610	0.0062	0.0937	EUR 2 yr	-0.196	+0
CHF LIBOR	-0.7904	-0.7178	-0.6534	-0.5112	EUR 5 yr	0.074	+1
					EUR 10 yr	0.577	+1

Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold	1273.98	-0.22	ADGB 6.75 19	2.42	--	Abu Dhabi	58	-1
Silver	14.99	-0.09	DUGB 7.75 20	3.16	+19	Bahrain	249	-1
Oil (WTI)	63.76	-0.45	QATAR 5.25 20	2.70		Dubai	136	-3
Aluminium	1834.25	-0.19	US Tsy 2 yr	2.40	-1	Oman	310	--
Copper	6537.00	+1.05	US Tsy 10 yr	2.59	+0	Qatar	63	--
						Saudi Arabia	77	-2

Source: Bloomberg, Emirates NBD Research

Disclaimer

PLEASE READ THE FOLLOWING TERMS AND CONDITIONS OF ACCESS FOR THE PUBLICATION BEFORE THE USE THEREOF. By continuing to access and use the publication, you signify you accept these terms and conditions. Emirates NBD reserves the right to amend, remove, or add to the publication and Disclaimer at any time. Such modifications shall be effective immediately. Accordingly, please continue to review this Disclaimer whenever accessing, or using the publication. Your access of, and use of the publication, after modifications to the Disclaimer will constitute your acceptance of the terms and conditions of use of the publication, as modified. If, at any time, you do not wish to accept the content of this Disclaimer, you may not access, or use the publication. Any terms and conditions proposed by you which are in addition to or which conflict with this Disclaimer are expressly rejected by Emirates NBD and shall be of no force or effect. Information contained herein is believed by Emirates NBD to be accurate and true but Emirates NBD expresses no representation or warranty of such accuracy and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in the publication. The publication is provided for informational uses only and is not intended for trading purposes. Charts, graphs and related data/information provided herein are intended to serve for illustrative purposes. The data/information contained in the publication is not designed to initiate or conclude any transaction. In addition, the data/information contained in the publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. The publication may include data/information taken from stock exchanges and other sources from around the world and Emirates NBD does not guarantee the sequence, accuracy, completeness, or timeliness of information contained in the publication provided thereto by or obtained from unaffiliated third parties. Moreover, the provision of certain data/information in the publication may be subject to the terms and conditions of other agreements to which Emirates NBD is a party.

None of the content in the publication constitutes a solicitation, offer or recommendation by Emirates NBD to buy or sell any security, or represents the provision by Emirates NBD of investment advice or services regarding the profitability or suitability of any security or investment. Moreover, the content of the publication should not be considered legal, tax, accounting advice. The publication is not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law or regulation. Accordingly, anything to the contrary herein set forth notwithstanding, Emirates NBD, its suppliers, agents, directors, officers, employees, representatives, successors, assigns, affiliates or subsidiaries shall not, directly or indirectly, be liable, in any way, to you or any other person for any: (a) inaccuracies or errors in or omissions from the publication including, but not limited to, quotes and financial data; (b) loss or damage arising from the use of the publication, including, but not limited to any investment decision occasioned thereby. (c) UNDER NO CIRCUMSTANCES, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, SHALL EMIRATES NBD, ITS SUPPLIERS, AGENTS, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS, ASSIGNS, AFFILIATES OR SUBSIDIARIES BE LIABLE TO YOU FOR DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES EVEN IF EMIRATES NBD HAS BEEN ADVISED SPECIFICALLY OF THE POSSIBILITY OF SUCH DAMAGES, ARISING FROM THE USE OF THE PUBLICATION, INCLUDING BUT NOT LIMITED TO, LOSS OF REVENUE, OPPORTUNITY, OR ANTICIPATED PROFITS OR LOST BUSINESS. The information contained in the publication does not purport to contain all matters relevant to any particular investment or financial instrument and all statements as to future matters are not guaranteed to be accurate. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in the publication. Further, references to any financial instrument or investment product is not intended to imply that an actual trading market exists for such instrument or product. In publishing this document Emirates NBD is not acting in the capacity of a fiduciary or financial advisor.

Emirates NBD and its group entities (together and separately, "Emirates NBD") does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its reports. As a result, recipients of this report should be aware that any or all of the foregoing services may at times give rise to a conflict of interest that could affect the objectivity of this report. The securities covered by this report may not be suitable for all types of investors. The report does not take into account the investment objectives, financial situations and specific needs of recipients.

Data included in the publication may rely on models that do not reflect or take into account all potentially significant factors such as market risk, liquidity risk and credit risk. Emirates NBD may use different models, make valuation adjustments, or use different methodologies when determining prices at which Emirates NBD is willing to trade financial instruments and/or when valuing its own inventory positions for its books and records. In receiving the publication, you acknowledge and agree that there are risks associated with investment activities. Moreover, you acknowledge in receiving the publication that the responsibility to obtain and carefully read and understand the content of documents relating to any investment activity described in the publication and to seek separate, independent financial advice if required to assess whether a particular investment activity described herein is suitable, lies exclusively with you. You acknowledge and agree that past investment performance is not indicative of the future performance results of any investment and that the information contained herein is not to be used as an indication for the future performance of any investment activity. You acknowledge that the publication has been developed, compiled, prepared, revised, selected, and arranged by Emirates NBD and others (including certain other information sources) through the application of methods and standards of judgment developed and applied through the expenditure of substantial time, effort, and money and constitutes valuable intellectual property of Emirates NBD and such others. All present and future rights in and to trade secrets, patents, copyrights, trademarks, service marks, know-how, and other proprietary rights of any type under the laws of any governmental authority, domestic or foreign, shall, as between you and Emirates NBD, at all times be and remain the sole and exclusive property of Emirates NBD and/or other lawful parties. Except as specifically permitted in writing, you acknowledge and agree that you may not copy or make any use of the content of the publication or any portion thereof. Except as specifically permitted in writing, you shall not use the intellectual property rights connected with the publication, or the names of any individual participant in, or contributor to, the content of the publication, or any variations or derivatives thereof, for any purpose.

YOU AGREE TO USE THE PUBLICATION SOLELY FOR YOUR OWN NONCOMMERCIAL USE AND BENEFIT, AND NOT FOR RESALE OR OTHER TRANSFER OR DISPOSITION TO, OR USE BY OR FOR THE BENEFIT OF, ANY OTHER PERSON OR ENTITY. YOU AGREE NOT TO USE, TRANSFER, DISTRIBUTE, OR DISPOSE OF ANY DATA/INFORMATION CONTAINED IN THE PUBLICATION IN ANY MANNER THAT COULD COMPETE WITH THE BUSINESS INTERESTS OF EMIRATES NBD. YOU MAY NOT COPY, REPRODUCE, PUBLISH, DISPLAY, MODIFY, OR CREATE DERIVATIVE WORKS FROM ANY DATA/INFORMATION CONTAINED IN THE PUBLICATION. YOU MAY NOT OFFER ANY PART OF THE PUBLICATION FOR SALE OR DISTRIBUTE IT OVER ANY MEDIUM WITHOUT THE PRIOR WRITTEN CONSENT OF EMIRATES NBD. THE DATA/INFORMATION CONTAINED IN THE PUBLICATION MAY NOT BE USED TO CONSTRUCT A DATABASE OF ANY KIND. YOU MAY NOT USE THE DATA/INFORMATION IN THE PUBLICATION IN ANY WAY TO IMPROVE THE QUALITY OF ANY DATA SOLD OR CONTRIBUTED TO BY YOU TO ANY THIRD PARTY. FURTHERMORE, YOU MAY NOT USE ANY OF THE TRADEMARKS, TRADE NAMES, SERVICE MARKS, COPYRIGHTS, OR LOGOS OF EMIRATES NBD OR ITS SUBSIDIARIES IN ANY MANNER WHICH CREATES THE IMPRESSION THAT SUCH ITEMS BELONG TO OR ARE ASSOCIATED WITH YOU OR, EXCEPT AS OTHERWISE PROVIDED WITH EMIRATES NBD'S PRIOR WRITTEN CONSENT, AND YOU ACKNOWLEDGE THAT YOU HAVE NO OWNERSHIP RIGHTS IN AND TO ANY OF SUCH ITEMS. MOREOVER YOU AGREE THAT YOUR USE OF THE PUBLICATION IS AT YOUR SOLE RISK AND ACKNOWLEDGE THAT THE PUBLICATION AND ANYTHING CONTAINED HEREIN, IS PROVIDED "AS IS" AND "AS AVAILABLE," AND THAT EMIRATES NBD MAKES NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE PUBLICATION, INCLUDING, BUT NOT LIMITED TO, MERCHANTABILITY, NON-INFRINGEMENT, TITLE, OR FITNESS FOR A PARTICULAR PURPOSE OR USE. You agree, at your own expense, to indemnify, defend and hold harmless Emirates NBD, its Suppliers, agents, directors, officers, employees, representatives, successors, and assigns from and against any and all claims, damages, liabilities, costs, and expenses, including reasonable attorneys' and experts' fees, arising out of or in connection with the publication, including, but not limited to: (i) your use of the data contained in the publication or someone using such data on your behalf; (ii) any deletions, additions, insertions or alterations to, or any unauthorized use of, the data contained in the publication or (iii) any misrepresentation or breach of an acknowledgement or agreement made as a result of your receiving the publication.

Emirates NBD Research & Treasury Contact List

Emirates NBD Head Office
12th Floor
Baniyas Road, Deira
P.O.Box 777
Dubai

Jonathan Morris
 General Manager Wholesale Banking
 JonathanM@emiratesnbd.com

Aazar Ali Khwaja
 Senior Executive Vice President
 Global Markets & Treasury
 +971 4 609 3000
 aazark@emiratesnbd.com

Tim Fox
 Head of Research &
 Chief Economist
 +9714 230 7800
 timothyf@emiratesnbd.com

Research

Khatija Haque
 Head of MENA Research
 +9714 230 7803
 khatijah@emiratesnbd.com

Anita Yadav
 Head of Fixed Income Research
 +9714 230 7630
 anitay@emiratesnbd.com

Aditya Pugalia
 Financial Markets Research
 +9714 230 7802
 adityap@emiratesnbd.com

Daniel Richards
 MENA Economist
 +9714 609 3032
 danielricha@emiratesnbd.com

Edward Bell
 Commodity Analyst
 +9714 230 7701
 edwardpb@emiratesnbd.com

Mohammed Altajir
 FX Analytics and Product Development
 +9714 609 3005
 mohammedtaj@emiratesnbd.com

Hessa Al Khawaja
 Research Associate
 +9714 609 3015
 hessaalkh@emiratesnbd.com

Sales & Structuring

Group Head – Treasury Sales
 Tariq Chaudhary
 +971 4 230 7777
 tariqmc@emiratesnbd.com

Saudi Arabia Sales
 Numair Attiyah
 +966 11 282 5656
 numaira@emiratesnbd.com

Singapore Sales
 Supriyakumar Sakhalakar
 +65 65785 627
 supriyakumars@emiratesnbd.com

London Sales
 +44 (0) 20 7838 2241

Egypt
 Gary Boon
 +20 22 726 5040
 garyboon@emiratesnbd.com

Emirates NBD Capital

Hitesh Asarpota
 Head of Debt Capital Markets.
 +971 50 4529515
 asarpotah@EmiratesNBD.com

Investor Relations

Patrick Clerkin
 +9714 230 7805
 patricke@emiratesnbd.com

Group Corporate Affairs

Ibrahim Sowaidan
 +9714 609 4113
 ibrahims@emiratesnbd.com

Claire Andrea
 +9714 609 4143
 clairea@emiratesnbd.com