



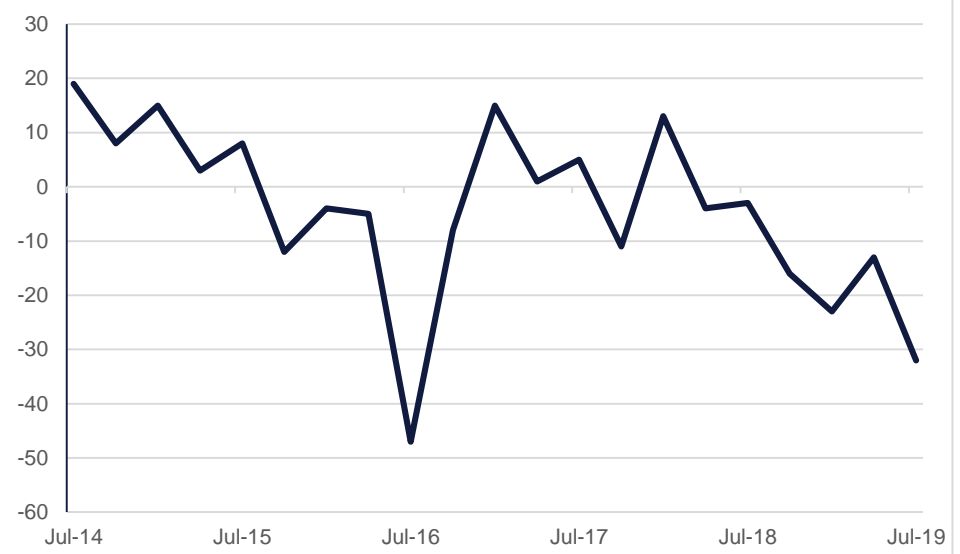
Daily Outlook

The IMF cut its global growth outlook again, trimming it to 3.2% for 2019, versus its prior 3.3% projection. The Fund sees a pick-up to 3.5% in 2020, but this is also down from its previous estimate of 3.6%. The IMF said that global growth is 'subdued' and that the expected improvement next year is 'precarious' suggesting that policy 'missteps' on trade and Brexit could derail a projected rebound. Forecast risks are mainly to the downside, and include 'further trade and technology tensions that dent sentiment and slow investment', while a 'protracted increase in risk aversionconstrain monetary policy space to counter downturns, and make adverse shocks more persistent than normal.' The expansion in advanced economies is seen slowing to 1.9% this year, versus the 2.2% pace in 2018, and slipping to 1.7% in 2020. The U.S. is projected to grow 2.6% this year before slowing to 1.9% in 2020. **Most of the downward adjustments were to emerging markets, with China's growth projected to expand 6.2% this year and 6% next year, both down 0.1 percentage point.**

Boris Johnson was confirmed as leader of the UK's Conservative Party yesterday, which means he will simultaneously become the new occupant of No 10 Downing Street today as Theresa May steps down as Prime Minister. Johnson won 66% of the vote of Conservative Party members, but faces far more uncertain support in Westminster, and indeed within his parliamentary party. A number of Conservative ministers have tendered their resignations in the past several days, citing the risk of the no-deal Brexit which Johnson professes to be prepared to push through if a new agreement with the EU is not forthcoming by the October 31 deadline. Aside from the longstanding fallout from Brexit - which has seen UK business confidence fall to levels last seen immediately after the mid-2016 referendum in data released yesterday - Johnson will also face challenges from rising tensions with Iran as he assumes office today.

Saudi Arabia's annualised CPI inflation remained in negative territory for the sixth consecutive reading in June, with the headline index down -1.4% y/y. On a monthly basis, inflation was 0.2%. Falling rents have been the primary driver of deflation so far and this trend continued with the housing/fuel/water component of the basket down -7.2% y/y.

UK CBI business confidence falls to multi-year low



Source: Bloomberg, Emirates NBD Research.

Today's Economic Data and Events

	Time	Cons		Time	Cons
Markit Eurozone Composite PMI	12:00	52.2	Markit US Composite PMI	17:45	N/A

Source: Bloomberg, Emirates NBD Research.

Fixed Income

Treasuries closed lower following reports over the restart of trade talks between the US and China. The curve bear steepened with yields on the 2y UST, 5y UST and 10y UST closing at 1.83%, 1.83% and 2.08% respectively.

Regional bonds continued to trade in a tight range. The YTW on Bloomberg Barclays GCC Credit and High Yield index hovered at 3.43% while credit spreads remained flat at 148 bps.

Emirates Strategic Investments Co raised USD 600mn in a 5 year sukuk which was priced 215 bps over midswaps.

FX

The dollar posted fresh highs against the euro, yen, and pound yesterday, amid more mixed views about Fed easing. Boris Johnson's confirmation as the next prime minister of the UK also kept sterling under pressure, especially with BoE MPC member Michael Saunders describing UK growth as 'weak and below trend' in an interview. Cable dropped to a three-day low at 1.2418 and the euro also came under particular pressure, posting new lows against the dollar, Swiss franc and some other currencies. EURUSD hit a low at 1.1143 and EURCHF a new two-year low at 1.0971 before recovering. Elsewhere, USDJPY reached a six-day high at 108.29, and NZDUSD fell to a six-day low at 0.6692 amid reports that the RBNZ is taking a fresh look into its unconventional stimulus measures.

Equities

Developed market equities closed higher amid better than expected corporate earnings and optimism over trade talks restarting between the US and China. The S&P 500 index and the Euro Stoxx 50 index added +0.7% and +1.2% respectively.

UAE bourses continued to outperform their regional peers. The DFM index added +2.1% to close at its eight month high. Emaar-related names continued their positive run following announcements about project in China. Emaar Properties and Emaar Malls gained +4.0% and 4.6% respectively. Aldar Properties rallied +6.0% after the company raised its annual profit guidance by 50% for the next three to four years.

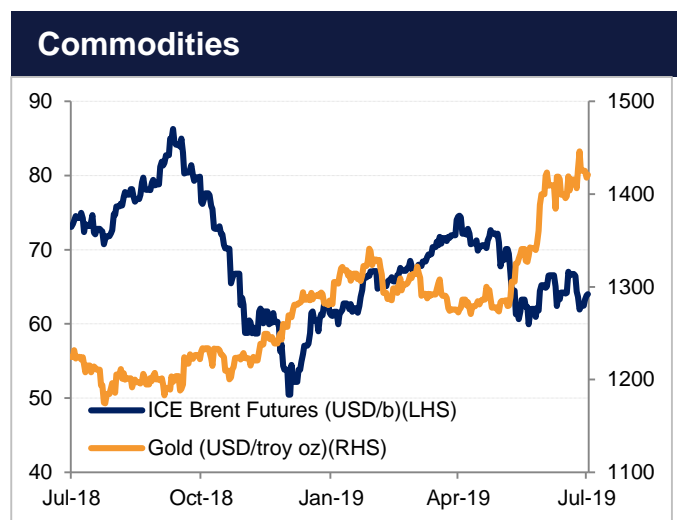
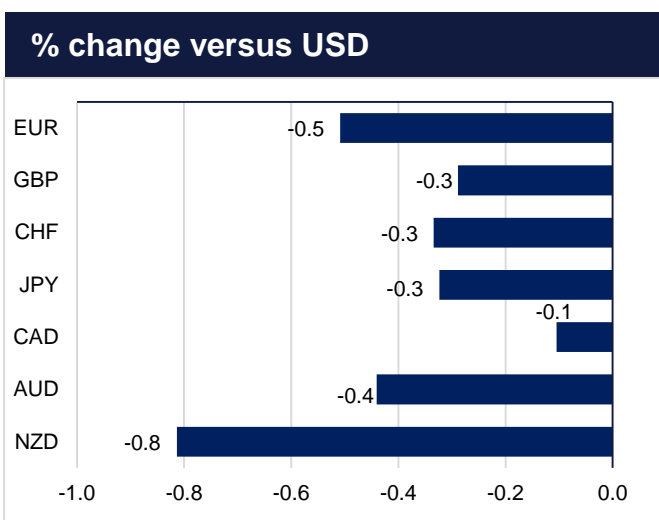
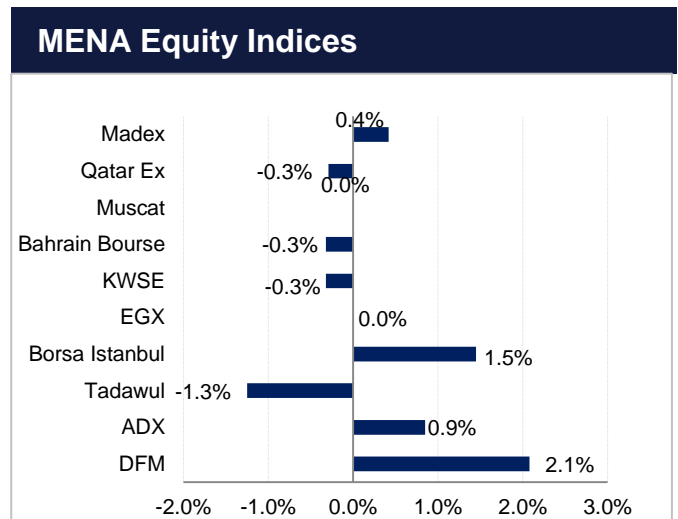
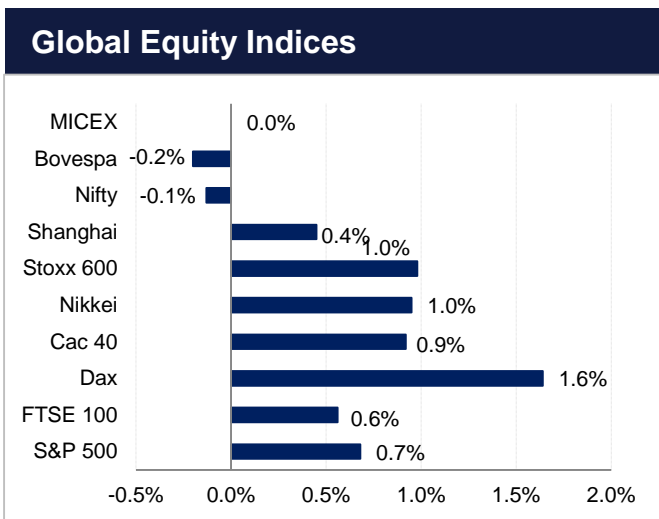
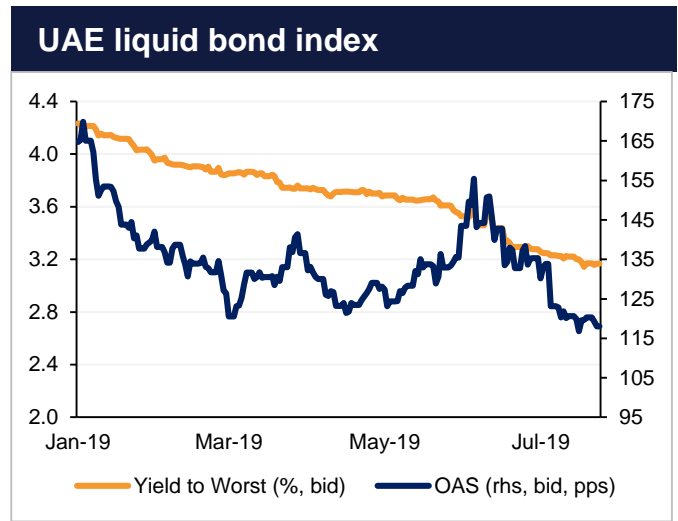
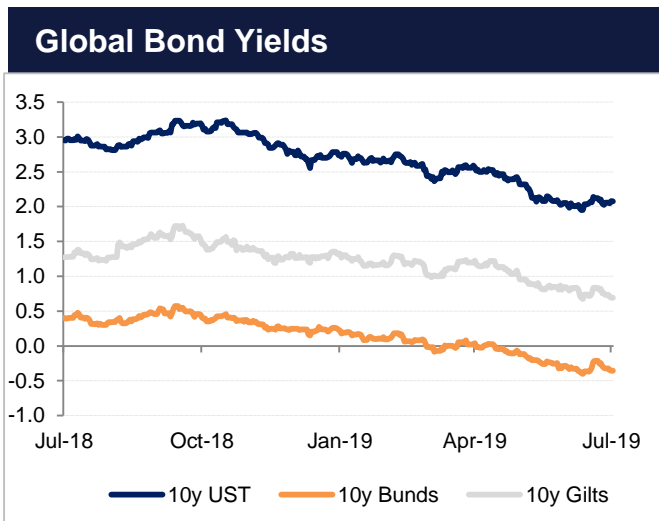
Commodities

Oil markets were supported overnight by large decline in US inventories reported by the API. Brent futures gained 0.9% while WTI rose almost 1%. Stocks declined by 11m bbl according to the API, much larger than markets had been expecting.

As Brent front month futures near expiry they are dwindling closer to a contango with the next active contract. The 1-2 month spread closed at just USD 0.08/b overnight compared with closer to USD 0.50/b at the start of last week.

The prospect of more China-US trade talks helped to take one of the supports for gold out of the market as it dropped for a third consecutive day. Gold prices fell 0.5% to close below USD 1,420/troy oz.

Markets in Charts



Source: Bloomberg, Emirates NBD Research

Currencies

	Close	%1D chg	1 yr fwd		Close	%1D chg		Close	%1D chg
EURUSD	1.1152	-0.51	1.1464	USDTRY	5.7180	+0.68	EURAED	4.0959	-0.51
GBPUSD	1.2440	-0.29	1.2619	USDEGP	16.6195	-0.13	GBPAED	4.5690	-0.31
USDJPY	108.23	+0.33	105.49	USDSAR	3.7506	--	JPYAED	0.0339	-0.33
USDCAD	1.3136	+0.13	1.3085	USDQAR	3.6800		CADAED	2.7967	-0.10
AUDUSD	0.7005	-0.44	0.7064	USDKWD	0.3038	+0.05	AUDAED	2.5731	-0.43
USDCHF	0.9853	+0.34	0.9543	USDBHD	0.3770	+0.00	CHFAED	3.7279	-0.33
EURGBP	0.8965	-0.23	0.9085	USDOMR	0.3850	--	TRYAED	0.6400	-1.04
USDAED	3.6730	--	3.6787	USDINR	70.7225	-0.64	INRAED	0.0552	+3.64

Rates

Interbank	1 mo	3mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	2.4770	2.4551	2.7658	3.0139	USD 2 yr	1.866	+2
USD LIBOR	2.2691	2.2828	2.1808	2.1884	USD 5 yr	1.819	+3
GBP LIBOR	0.7201	0.7726	0.8010	0.8606	USD 10 yr	2.012	+3
JPY LIBOR	-0.0965	-0.0783	-0.0360	0.0477	EUR 2 yr	-0.450	-0
CHF LIBOR	-0.8160	-0.7560	-0.7314	-0.6274	EUR 5 yr	-0.310	-1
					EUR 10 yr	0.095	-0

Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold	1417.83	-0.49	ADGB 6.75 19	2.42	--	Abu Dhabi	50	-2
Silver	16.40	+0.22	DUGB 7.75 20	2.22	-1	Bahrain	246	+5
Oil (WTI)	56.77	+0.98	QATAR 5.25 20	2.70		Dubai	130	--
Aluminium	1788.25	-0.03	US Tsy 2 yr	1.84	+3	Oman	289	--
Copper	5946.00	-0.85	US Tsy 10 yr	2.08	+3	Qatar	52	-1
						Saudi Arabia	72	-1

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 Sakhalkar
+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