



## Daily Outlook

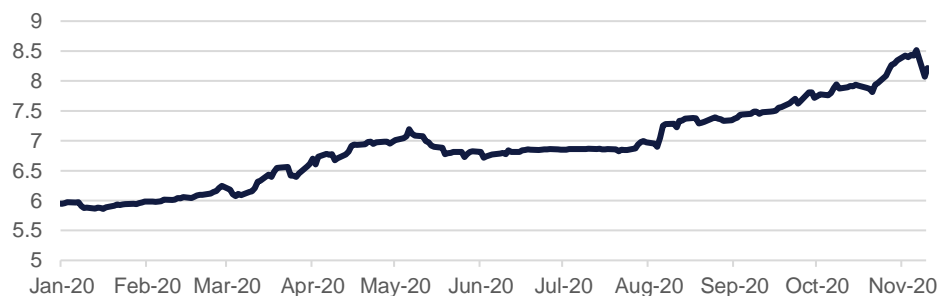
**Initial trial results showed Pfizer Inc's experimental Covid-19 vaccine was more than 90% effective**, a major milestone in the fight against a pandemic that has killed over a million people and battered the world's economy. Questions however remain around how effective the vaccine is for vulnerable groups and how long it will provide immunity, with experts believing the "new normal" of social distancing and face masks looks set to remain for the foreseeable future. **The prospect of a vaccine jolted world markets higher with the S&P 500 and Dow hitting record highs as shares of banks, oil majors and travel companies soared.** Pfizer expects to ask for broad US authorization for emergency use of the vaccine for people aged 16 to 85. To do so, it will need two months of safety data from about half the study's 44,000 participants, which is expected by the third week of November.

**Sentix's investor confidence index for the Eurozone dropped to -10.0 in November from -8.3 in October, as investor morale fell for a second consecutive month.** The decline was not as bad as feared (consensus was for -15.0) as lockdowns to curb the spread of the coronavirus did not hit the economy as hard as expected. The current situation index dropped to -32.3 from -32.0 the previous month. The expectations index dipped to 15.3 from 18.8, the lowest level since May. **In Germany, the current situation index improved for the sixth consecutive month, reaching its highest level since March.** Expectations in Germany however also dropped to their lowest level since May

**EU Trade Commissioner Valdis Dombrovskis said the European Union will "regrettably" impose tariffs on imports of USD 4bn in US goods from Tuesday**, hoping that President-elect Joe Biden will work to improve transatlantic ties. This came as part of a long-running US-EU battle over civil aviation subsidies in a case against US plane maker Boeing. The bloc would impose tariffs on US exports of planes and parts and a range of farm and industrial products, exercising the right to counter-measures awarded to it last month by the World Trade Organization. The US already had tariffs of USD 7.5bn on EU products which have been in place for over a year after a parallel WTO case against Airbus. The EU says the main objective of its measures is to persuade the United States to negotiate a solution.

Newly appointed Turkish central bank governor Naci Agbal issued a statement yesterday. **Agbal intimated that there would be no change in monetary policy prior to the scheduled November 19 MPC meeting**, saying that the situation will be reviewed until that date, and that 'Necessary policy decisions will be made in the light of the data and evaluations to be formed.' Nevertheless, the new appointment, and Agbal's stated pledge that 'Communication will be strengthened within the framework of transparency, accountability and predictability principles in monetary policy' saw the lira strengthen to a two-week high.

### Turkish Lira reacts (USDTRY)



Source: Bloomberg, Emirates NBD Research

### Today's Economic Data and Events

	Time	Cons.		Time	Cons.
German ZEW Survey	14:00		US JOLTs	19:00	6.5mn

Source: Bloomberg, Emirates NBD Research

### Fixed Income

News that Pfizer had a successful run of testing its Covid-19 vaccine sent risk assets surging at the start of the week, already having been bolstered by the certainty of Joe Biden becoming US President-elect. Treasuries sank across the board as investors repositioned toward risk assets and away from havens. Yields on the 2yr UST moved up almost 2bps to 0.17% while the 10yr yield closed more than 10bps higher at 0.9235% after having hit an intraday high of more than 0.95%. The 2s10s curve steepened to more than 75bps on the expectation that a successful vaccine could be imminent, if not necessarily immediately deployed globally.

European bond markets responded in kind with yields on 10yr UK, German and French bonds up by 10-11bps each. Emerging market bonds rallied as well with the EM USD index gaining 0.4% on the day.

Fitch changed its outlook on Saudi Arabia's sovereign rating to negative but affirmed the rating at 'A'. Elsewhere in the region Oman seek to issue bonds with its holding in one of the country's largest oil producing blocks as collateral.

### FX

Movement amongst major currencies in the wake of the US presidential election offered a mixed bag on Monday. The USD rallied following a surge in UST 10-year yields, off the back of the Pfizer vaccine news. The DXY index jumped from lows of 92.130 to 92.962 and now trades at 92.670. USDJPY was the biggest mover on the day, advancing by more than two big-figures to reach a high of 105.65, marking a break above the 50-day moving average of 105.28, but has since withdrawn from this position and now hovers around 104.85.

Broad-based USD strength caused the EUR to retreat from its highest point since September at 1.1920 and trades at 1.1830. Both the AUD and NZD recorded particularly volatile movement, with the former climbing to 0.7340 before dipping to 0.7280 whilst the latter rallied to its highest point since March 2019 at 0.6855 and currently trades at 0.6830. The GBP struggled to hold down major movement in either direction but has earned some modest gains this morning at 1.3185.

### Equities

The positive news regarding the potential Covid-19 vaccine saw equity markets surge yesterday, building on the positive momentum already in play following President-elect Joe Biden's victory in the US. The rally was global, with European equities doing particularly well as the CAC gained 7.6% and the FTSE 100 4.7%. In the US the outcome was a little more mixed, as the S&P 500 (1.2%) and the Dow Jones (3.0%) both benefitted from the news, while the tech-heavy NASDAQ (which has arguably been a major beneficiary of this year's disruption, up 30.6% ytd) lost 1.5% on the day. The momentum has carried through to Asia this morning, with indices there all moving higher in early trading.

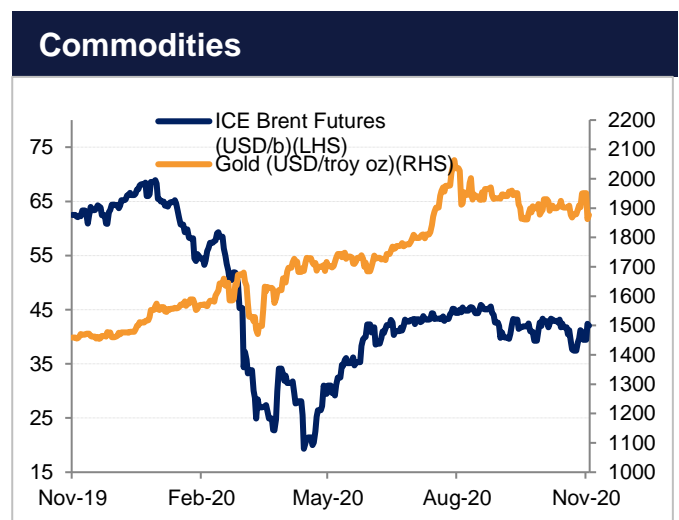
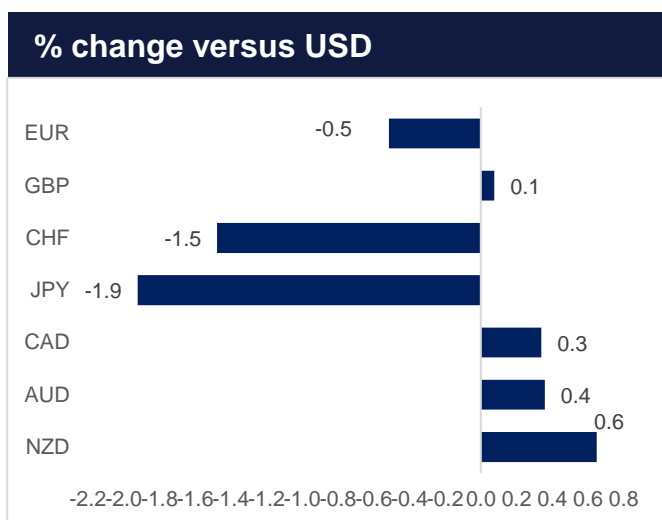
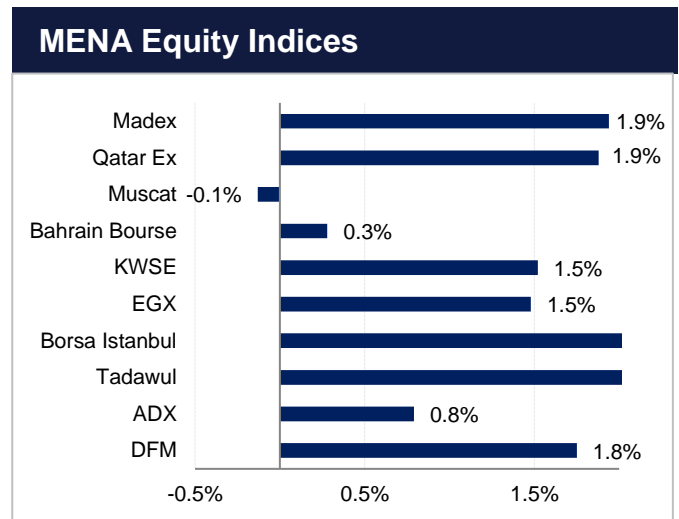
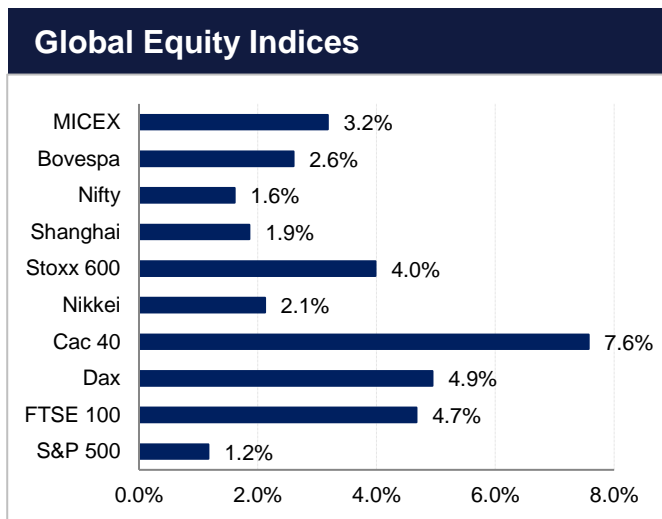
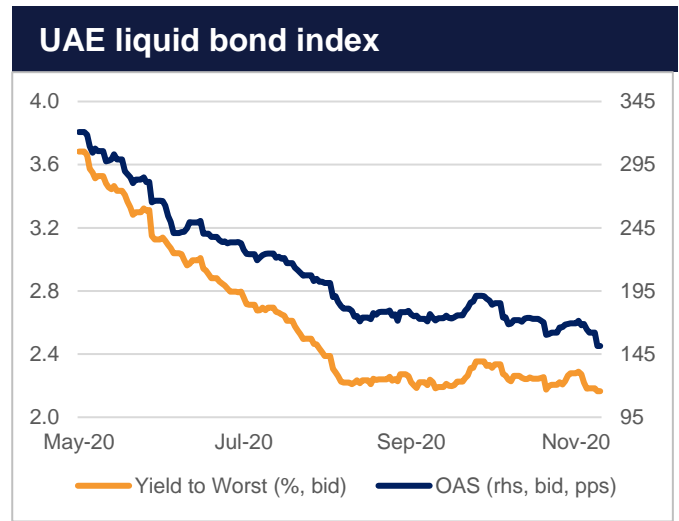
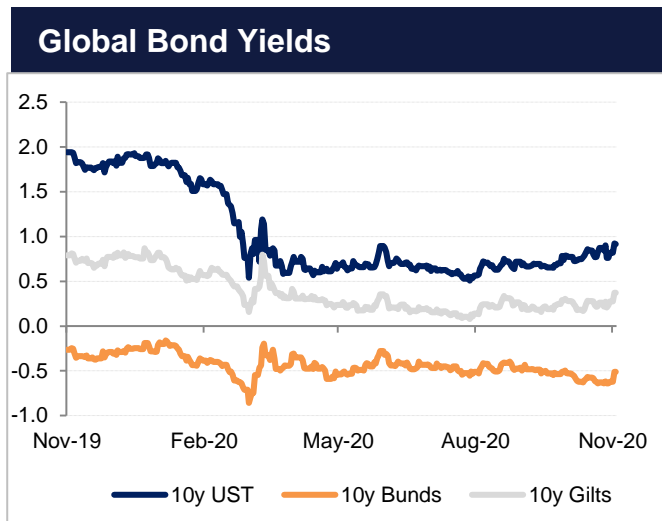
### Commodities

Oil prices jumped on the back of the Pfizer vaccine news as well as indications from OPEC+ energy ministers they were prepared to be flexible on the bloc's production plans. Brent futures gained 7.5% to settle above USD 42/b while WTI was up 8.5% and closed above USD 40/b. Optimism that a vaccine will be deployed could transform behaviours if it is deployed widely, allowing a recovery across the barrel, particularly in jet fuel.

Prince Abdulaziz bin Salman, Saudi Arabia's energy minister, said that OPEC+ cuts could be prolonged throughout 2022 while his UAE counterpart, Suhail al Mazrouei, said that OPEC+ was ready to adjust its production cut targets as needed.

Gold prices dumped as investors fled havens in response to the vaccine news. Spot gold fell more than 4.5% to USD 1,863/troy oz, bringing down the rest of the precious metals complex with it.

## Markets in Charts



Source: Bloomberg, Emirates NBD Research

## Currencies

	Close	%1D chg	1 yr fwd		Close	%1D chg		Close	%1D chg
	1.1813	-0.51	1.1912	USDTRY	8.0684	-5.25	EURAED	4.3391	-0.51
GBPUSD	1.3166	+0.08	1.3193	USDEGP	15.6642	-0.29	GBPAED	4.8353	+0.08
USDJPY	105.38	+1.96	104.85	USDSAR	3.7508	+0.01	JPYAED	0.0349	-1.93
USDCAD	1.3007	-0.33	1.3000	USDQAR	3.6800		CADAED	2.8237	+0.34
AUDUSD	0.7284	+0.36	0.7297	USDKWD	0.3053	-0.18	AUDAED	2.6740	+0.27
USDCHF	0.9130	+1.50	0.9030	USDBHD	0.3771	--	CHFAED	4.0198	-1.47
EURGBP	0.8974	-0.57	0.9030	USDOMR	0.3850	--	TRYAED	0.4600	+6.64
USDAED	#N/A N/A	#VALUE!	#VALUE!	USDINR	74.1462	-0.07	INRAED	0.0552	+11.24

## Rates

Interbank	1 mo	3mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	0.2258	0.4836	0.6981	0.8022	USD 2 yr	0.250	+1
USD LIBOR	0.1278	0.2059	0.2434	0.3334	USD 5 yr	0.484	+6
GBP LIBOR	0.0444	0.0446	0.0656	0.1225	USD 10 yr	0.935	+9
JPY LIBOR	-0.0973	-0.1022	-0.0620	0.0452	EUR 2 yr	-0.516	+3
CHF LIBOR	-0.8052	-0.7660	-0.7296	-0.6224	EUR 5 yr	-0.434	+5
					EUR 10 yr	-0.192	+7

## Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold	1863.04	-4.53	ADGB 2.50 25	0.91	-2	Abu Dhabi	36	-4
Silver	24.11	-5.88	DUGB 3.89 25	2.21	-3	Bahrain	323	-23
Oil (WTI)	40.29	+8.48	QATAR 3.4 25	1.04	--	Dubai	123	-5
Aluminium	1875.50	-0.56	US Tsy 2 yr	0.17	+2	Oman	424	-42
Copper	6903.25	-0.46	US Tsy 10 yr	0.92	+11	Qatar	36	-3
						Saudi Arabia	64	-10

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**  
12thFloor  
Baniyas Road, Deira  
P.OBox777  
Dubai

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

**Khatija Haque**  
Head of Research &  
Chief Economist  
+9714 230 7803  
khatijah@emiratesnbd.com

---

### Research

**Edward Bell**  
Senior Director, Market Economics  
+9714 230 7701  
edwardpb@emiratesnbd.com

**Shady Shafer Elborno**  
Head of Macro Strategy  
+9714 609 3015  
shadyb@emiratesnbd.com

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

**Jamal Mattar**  
Research Analyst  
+9714 444 3607  
jamaly@emiratesnbd.com

---

### Sales & Structuring

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

**Saudi Arabia Sales**  
Abdulazeez Adm AlSomali  
+966 11 282 5623  
abdulazeezso@emiratesnbd.com

**Singapore Sales**  
Shivakumar Srinivasan  
+65 6578 5620  
shivakumars@emiratesnbd.com

**London Sales**  
Carlo de Vos  
+44 (0) 207 838 2279  
devosc@emiratesnbd.com

**Egypt Sales**  
Ahmad Okasha  
+202 2726 5934  
aokasha@emiratesnbd.com

**India Sales**  
Ashish Pahuja  
+91 22 6813 6202  
ashishpa@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