



بنك الإمارات دبي الوطني
Emirates NBD

Daily
14 November 2017

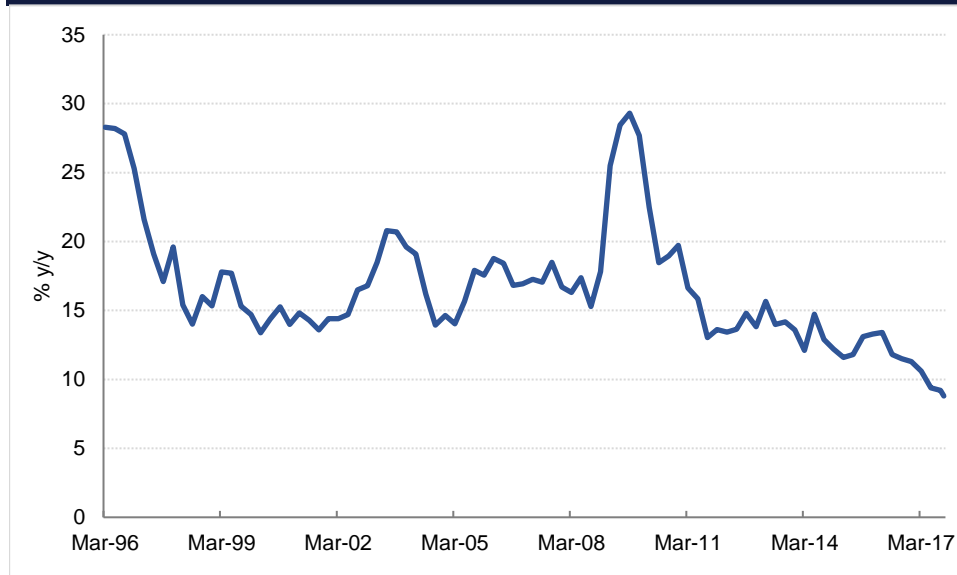
Daily Outlook

Industrial production and retail sales in China came in slightly lower than expected in October at 6.2% y/y and 10.0% y/y respectively. Both readings were also lower than in September, pointing to a slower rate of growth last month. However, fixed asset investment (excluding rural households) was in line with forecasts (although also weaker than September) at 7.3% y/y. Perhaps of greater concern was the sharp slowdown in new yuan loans, down more than 40% m/m in October, and M2 growth which at 8.8% y/y was the slowest since at least 1996.

There are important data releases today across Europe, starting with UK inflation, which is forecast to have accelerated in October. The German ZEW Economic Sentiment Indicator is likely to show a greater degree of optimism this month, as equity markets have performed well and with the ECB set to continue with asset purchases at least until next September. The first (flash) estimate of Eurozone Q3 GDP is due this afternoon, with analysts expecting growth of 2.5%, the same as in Q2.

The EU Withdrawal Bill goes back to the UK parliament today for the committee stage, where MPs debate and can amend various aspects of the legislation. The government has agreed to include an amendment allowing MPs a vote on the final deal reached with the EU in what is a significant concession, but this is unlikely to satisfy many opponents as it wouldn't allow time to renegotiate aspects of the deal if the House of Commons rejects it. More than 400 amendments and new clauses have been tabled.

China's M2 growth at slowest in more than 20 years



Source: Bloomberg, Emirates NBD Research

Day's Economic Data and Events

	Time	Cons		Time	Cons
Germany Q3 GDP	11:00	2.3%	Germany CPI	11:00	1.6%
UK CPI	13:30	3.1%	Germany ZEW Current Sit.	14:00	88
Eurozone Q3 GDP	14:00	2.5%			

Source: Bloomberg

Fixed Income

US Treasuries closed mixed amid lack of catalysts. While yields on the short end of the curve rose with 2y USTs yielding 1.68% (+3 bps) and 5y USTs yielding 2.07% (+2 bps), the long end of the curve saw yielding dropping with 30y USTs yielding 2.87% (-1 bps).

The pressure on region bonds continued amid geopolitical tensions. The YTW on the Bloomberg Barclays GCC Credit and High Yield index rose 1 bps to 3.73% even as spread remained flat at 163 bps.

Ezdan Holdings was downgraded to BB from BBB- by S&P. The rating agency attributed the downgrade to weakening financial performance as a consequence of the blockade on Qatar by other GCC countries. Elsewhere, Bank Muscat's rating was changed to BB/ Stable from BB+/Negative by S&P.

FX

The USD rose against most major G-10 and emerging market currencies ahead of a data-laden week. The Bloomberg Spot Index rose 0.2%. The GBP (-0.6%) came under pressure following reports that a no-confidence motion can be moved against Prime Minister May.

Equities

Developed market equities closed mixed with the S&P 500 index adding +0.1% and the Euro Stoxx 600 index losing -0.7%. It does appear that a sense of fatigue is setting in global markets with investors increasingly turning cautious.

For regional markets, trading was more nuanced than it has been in the recent past. The DFM index and the Tadawul added +0.4% each. In case of the Tadawul, it was against government related stocks which led the gains in the final hour of trading.

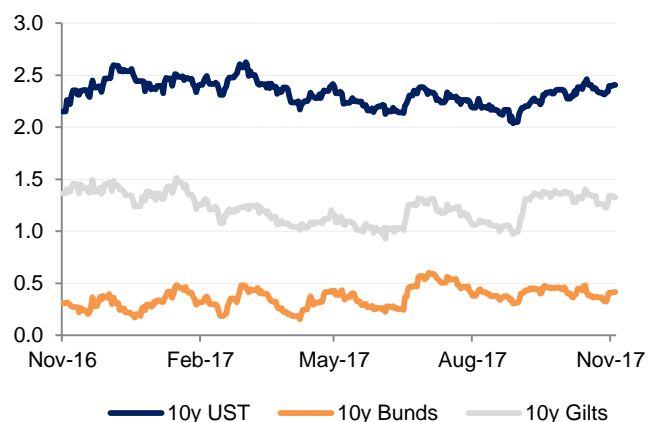
In terms of stocks, Emaar Properties added +1.5% after reporting strong set of Q3 2017 earnings. In other corporate development, six current shareholders in ZAIN are reported to have sold 218.6mn shares in an auction at 440 per share to Al Nuhood for Public Trading & Contracting.

Commodities

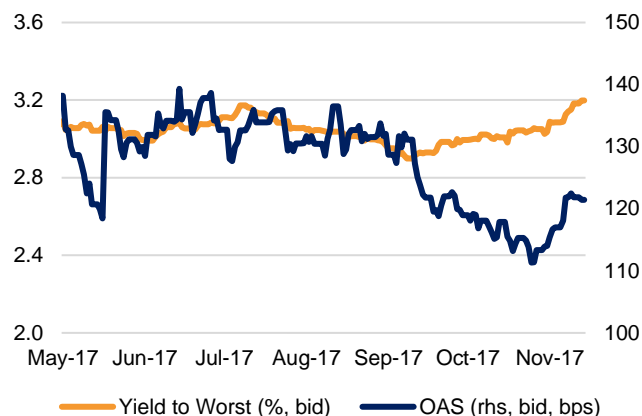
Oil markets struggled to start the week with Brent futures giving up nearly 0.6% to close at USD 63.16/b and have now pushed below the USD 63/b handle. WTI opened the week flat, holding on to levels close to USD 56.75/b. In OPEC's monthly oil market review, the producers' bloc revised up its 2018 demand growth forecast by 360k b/d (1.5m b/d in total) and cut its forecast for non-OPEC supply growth. This view contrasts with a near complete opposite from the IEA but would allow OPEC to raise output to as much as 33.4m b/d to balance demand and supply. Secondary source data reported OPEC production of 32.59m b/d in October, a drop m/m thanks to interruptions to supply in Iraq.

Markets in Charts

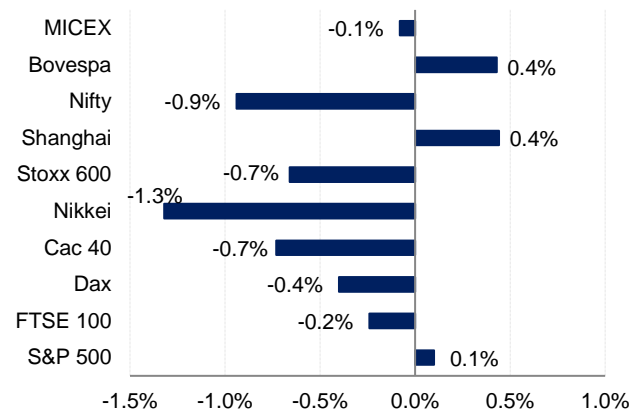
Global Bond Yields



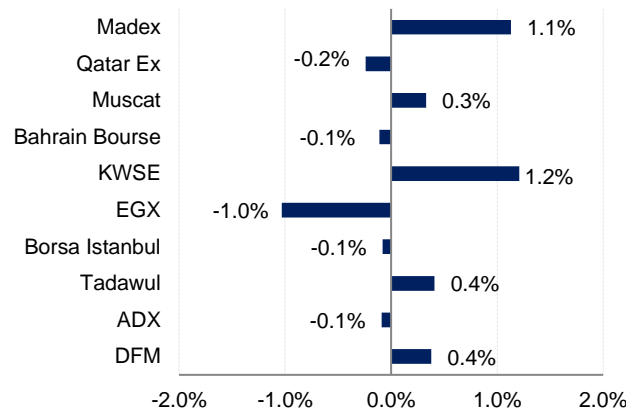
UAE liquid bond index



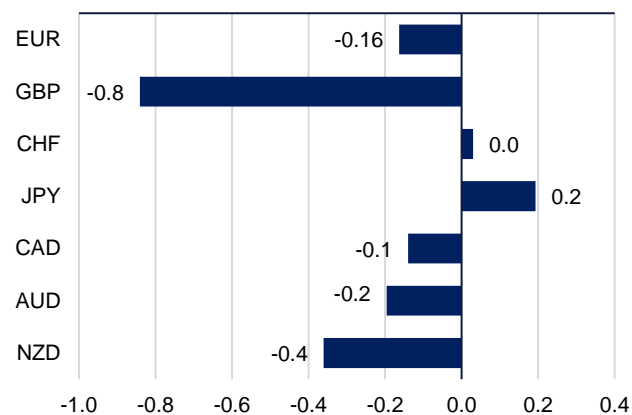
Global Equity Indices



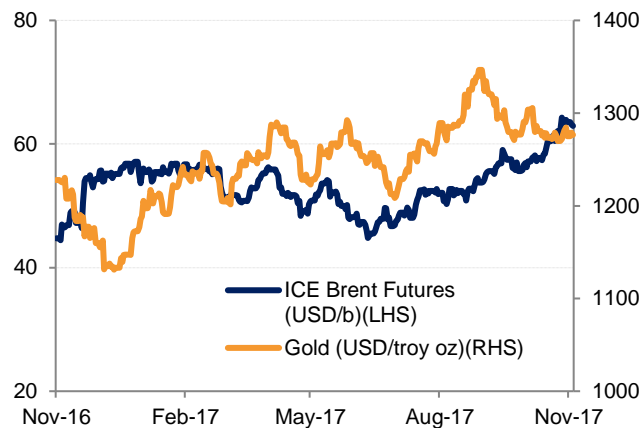
MENA Equity Indices



% change versus USD



Commodities



Source: Bloomberg, Emirates NBD Research

Currencies

	Close	%1D chg	1 yr fwd		Close	%1D chg		Close	%1D chg
EURUSD	1.1646	-0.16	1.1926	USDTRY	3.8798	+0.40	EURAED	4.2775	-0.04
GBPUSD	1.3085	-0.84	1.3246	USDEGP	17.6369	-0.05	GBPAED	4.8064	-0.51
USDJPY	113.31	-0.19	110.82	USDSAR	3.7505	--	JPYAED	0.0324	+0.08
USDCAD	1.2703	+0.17	1.2659	USDQAR	3.6800	-4.17	CADAED	2.8916	-0.21
AUDUSD	0.7646	-0.20	0.7633	USDKWD	0.3026	-0.02	AUDAED	2.8085	-0.32
USDCHF	0.9956	-0.05	0.9680	USDBHD	0.3779	-0.03	CHFAED	3.6891	-0.23
EURGBP	0.8900	+0.67	0.9004	USDOMR	0.3850	-0.00	TRYAED	0.9500	-0.05
USDAED	3.6729	-0.01	3.6797	USDINR	65.3475	+0.28	INRAED	0.0561	-0.44

Rates

Interbank	1 mo	3mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	1.3145	1.6137	1.8588	2.2423	USD 2 yr	1.861	+1
USD LIBOR	1.2503	1.4159	1.6162	1.8843	USD 5 yr	2.109	+1
GBP LIBOR	0.4939	0.5288	0.5935	0.7780	USD 10 yr	2.356	-0
JPY LIBOR	-0.0191	-0.0388	-0.0056	0.1066	EUR 2 yr	-0.200	-0
CHF LIBOR	-0.7861	-0.7420	-0.6544	-0.5290	EUR 5 yr	0.205	-0
					EUR 10 yr	0.861	-0

Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold	1278.31	+0.25	ADGB 6.75 19	1.91	+1	Abu Dhabi	67	--
Silver	16.91	-0.72	DUGB 7.75 20	2.58	+2	Dubai	137	+1
Oil (WTI)	56.76	+0.04	QATAR 6.55 19	2.16	-1	Qatar	107	+1
Aluminium	2089.10	+0.22	US Tsy 2 yr	1.68	+3	Saudi Arabia	104	--
Copper	6860.75	+1.58	US Tsy 10 yr	2.41	+1	Bahrain	285	--

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

Shady Shaher Elborno
 Head of Macro Strategy
 +9714 2012300
 shadyb@emiratesnbd.com

Athanasios Tsetsonis
 Sector Economist
 +9714 230 7629
 athanasios@emiratesnbd.com

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

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

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

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

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

Emirates NBD Capital

Ahmed Al Qassim
 CEO- Emirates NBD Capital
 AhmedAQ@emiratesnbd.com

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