



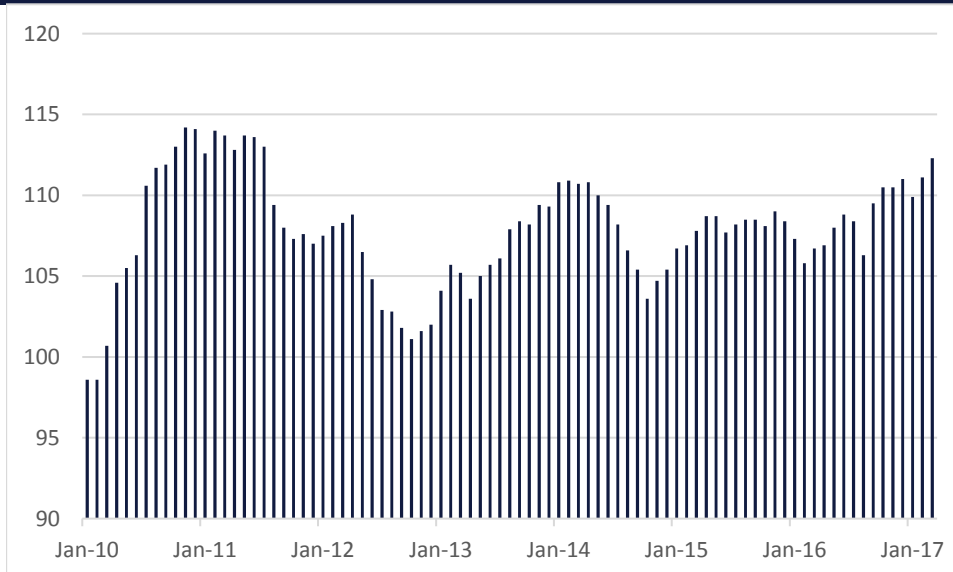
Daily Outlook

Germany's IFO business climate index hit its highest level in six years this March. Ifo said its index, based on a monthly survey of close to 7,000 firms, reached to 112.3 from 111.1 in February. The headline figure was supported by improved sentiment in construction, manufacturing and retail. The construction sector reading reached its highest level since 1991, supported by a housing boom in Germany driven by a growing population, rising wages, and low borrowing costs. Managers' assessment of current business conditions in the survey also reached it's since 6 years, with firms expressing greater optimism about the months ahead.

Lending to Eurozone economies grew at the fastest pace since December 2010 in March according to data from the European Central Bank. Household lending in the euro zone expanded by 2.3% in March from 2.2% in February, showing that the ECB's ultra-loose monetary policies is starting to gradually giving a boost to the household sector. The data comes on the back of robust PMI data on Friday, which showed Eurozone PMI accelerated to 6 year highs.

Sterling rose 1 percent to an almost eight-week high gaining with other majors as sentiment in Donald's Trumps ability to push through reforms on taxation and his infrastructure spending plans weakens. The pound is now trading at the top of the USD 1.20-1.27 range it held since October 2016, having been steadily rising since a March meeting of the Bank of England saw many members concerned over rising interest rates. The rise comes a day before Britain plans to trigger article 50, starting its two year divorce process from the EU. While market sentiment is likely to be impacted by the long process of separation, GCC economies are exploring opportunities Brexit will create. **On the eve of Brexit Qatar which has close to 40 billion pounds of investments in the UK, pledged to invest over 5 billion pounds over the next 5 years.**

Germany IFO index rises to six year high



Source: Bloomberg, HIS Markit, Emirates NBD Research

Day's Economic Data and Events

	Time	Cons		Time	Cons
US Consumer confidence	18.00	114			

Source: Bloomberg.

Fixed Income

Fed President Charles Evan's statement citing two more rate hikes this year as appropriate gave little fresh impetus for the fixed income trader. Shorter dated yields on UST were largely unchanged though longer dated curve got lower in response to lowered inflation expectations. Yields on 2yr and 10yr UST closed at 1.25% and 2.38% (-3bps) respectively. 10yr Gilt yields were down by 3bps to 1.16% ahead of UK triggering Article 50 tomorrow. Sovereign bonds in rest of the Europe were largely range bound with slight bias for reducing yields.

Credit spreads moved little with CDS on US IG and Euro Main remaining unchanged at 68bps and 75bps respectively. Locally GCC bonds were surprisingly quiet amid stable oil prices. Yield and credit spreads on BUAEL index closed where they opened at 3.13% and 139bps respectively.

GCC primary market had its first ever Green bond issued and priced by NBD yesterday. The \$587 million, 5yr, AA-/aa3 rated bond priced at MS+98 bps.

FX

The USD lost further ground yesterday slipping close to its 200-day MA on a DXY basis which currently stands at 98.68, before subsequently recovering. USDJPY bottomed at 110.12, a four month low, before recovering to over 110.50. EURUSD topped at 1.0906 briefly, a four month high, then later eased back to 1.0864 lows around where it is currently. The Dallas Fed's manufacturing index dropped 7.6 points to 16.9 in March after rising 2.4 points to 24.5 in February, which was the highest since April 2006.

Equities

Developed world equity market were in profit taking mode as political uncertainty remained high. The S&P 500 declined 0.10% yesterday and Dow Jones shed 0.22%. FTSE 100 and DAX also closed lower by -0.6% each.

Equity markets in Asia are steadying this morning after a nervous day of trading yesterday. Japan's Topix index has climbed 1.2% in early trades today after falling 1.3% yesterday while Hang Seng Index has gained 0.5%.

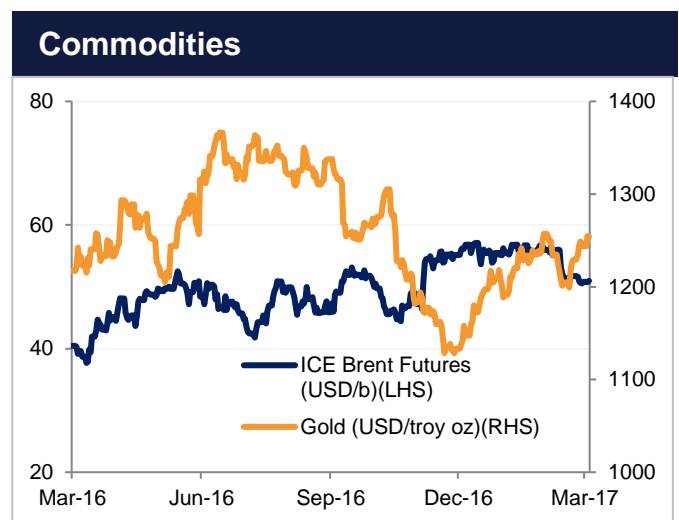
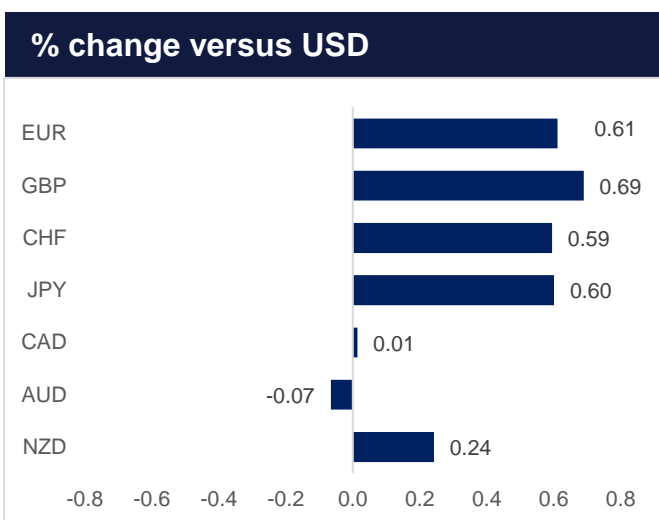
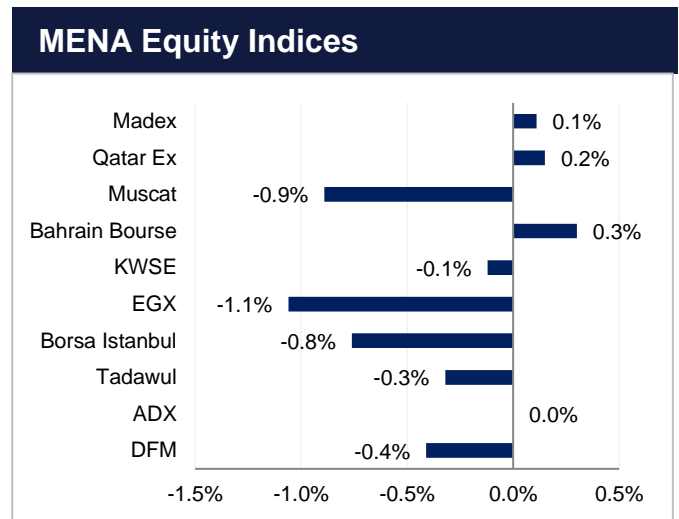
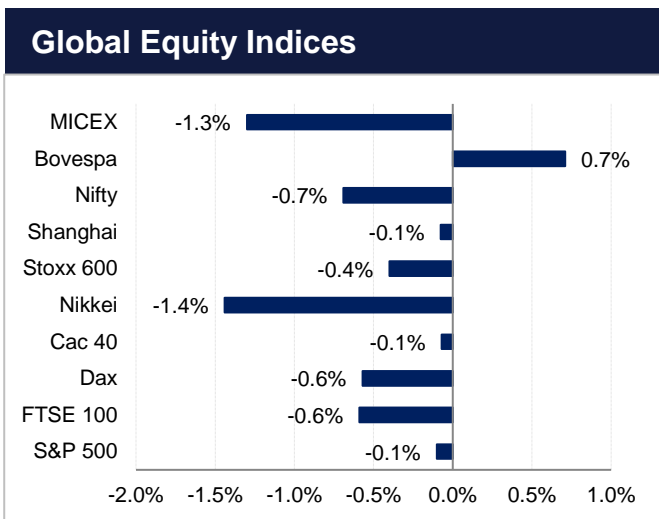
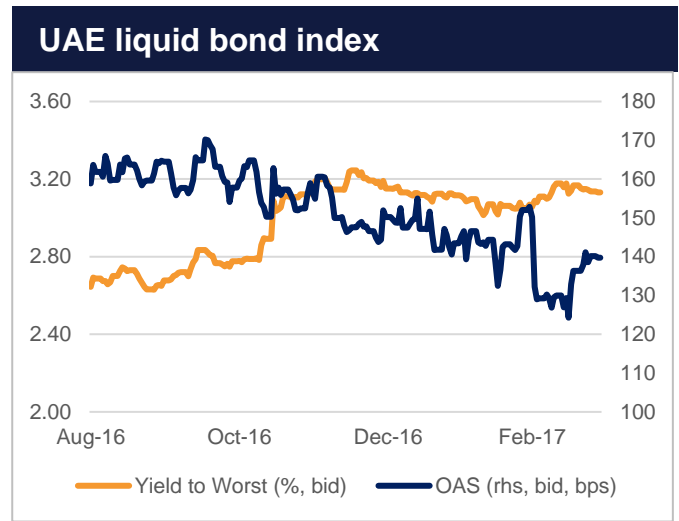
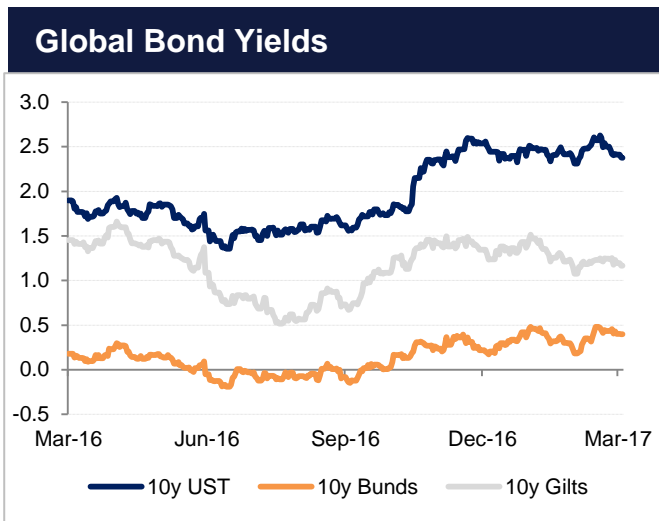
Locally, While Bahrain and Qatar stock exchanges were marginally in the green, DFM, Tadawul, Kuwait and Oman all closed lower. Dubai Market was down by 0.41% though Abu Dhabi was unchanged as gain in banking stocks outweighed the real estate sector fall.

Commodities

In a mostly newsless day, oil recovered marginally. WTI crude was up 0.5% at \$47.96 per barrel following a similar drop on the previous day. Qatar Petroleum CEO was cited stating that the world needs to clear an overhang of circa 285 million barrels of oil to balance the market. As per the recent reports, OPEC achieved 96% compliance with agreed cuts and Non-OPEC achieved circa 65%.

Gold slipped slightly to \$1,253.69 an ounce after rising consistently for two weeks.

Markets in Charts



Source: Bloomberg, Emirates NBD Research

Currencies

	Close	%1D chg	1 yr fwd		Close	%1D chg		Close	%1D chg
EURUSD	1.0864	+0.61	1.1075	USDTRY	3.6163	+0.12	EURAED	3.9902	+0.60
GBPUSD	1.2559	+0.69	1.2618	USDEGP	18.1940	+0.24	GBPAED	4.6125	+0.68
USDJPY	110.66	-0.61	108.68	USDSAR	3.7502	+0.00	JPYAED	0.0332	+0.60
USDCAD	1.3376	-0.01	1.3297	USDQAR	3.6413	--	CADAED	2.7457	+0.01
AUDUSD	0.7618	-0.07	0.7577	USDKWD	0.3044	-0.08	AUDAED	2.7977	-0.07
USDCHF	0.9856	-0.59	0.9614	USDBHD	0.3770	--	CHFAED	3.7265	+0.59
EURGBP	0.8650	-0.07	0.8756	USDOMR	0.3850	-0.00	TRYAED	1.0200	+0.31
USDAED	3.6729	--	3.6804	USDINR	65.0450	-0.57	INRAED	0.0565	+0.56

Rates

Interbank	1 mo	3 mo	6 mo	1 yr	Swaps	Close	1D chg (bps)
EIBOR	1.0300	1.4264	1.6757	2.1510	USD 2 yr	1.599	-2
USD LIBOR	0.9828	1.1513	1.4271	1.8029	USD 5 yr	2.029	-4
GBP LIBOR	0.2599	0.3413	0.4993	0.7331	USD 10 yr	2.349	-5
JPY LIBOR	-0.0149	0.0186	0.0418	0.1473	EUR 2 yr	-0.100	-1
CHF LIBOR	-0.7964	-0.7312	-0.6662	-0.4990	EUR 5 yr	0.257	-2
					EUR 10 yr	0.809	-2

Commodities & Fixed Income

Commodities	Close	%1D chg	Bonds/Sukuk	YTM	1D chg (bps)	CDS	Close	1D chg (bps)
Gold	1254.86	+0.91	ADGB 6.75 19	1.63	+2	Abu Dhabi	44	-1
Silver	18.11	+1.96	DUGB 7.75 20	2.75	-0	Dubai	123	+3
Oil (WTI)	47.73	-0.50	QATAR 6.55 19	1.94	-0	Qatar	67	-2
Aluminium	1921.00	-0.40	US Tsy 2 yr	1.25	-0	Saudi Arabia	102	--
Copper	5736.50	-0.70	US Tsy 10 yr	2.38	-3	Bahrain	231	+6

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.O.Box777
Dubai

Jonathan Morris
General Manager Wholesale Banking
JonathanM@emiratesnbd.com

Aazar Ali Khwaja
Group Treasurer & EVP 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 Shafer Elborno
Head of Macro Strategy
+9714 2012300
shadyb@emiratesnbd.com

Jean Paul Pigat
Senior Economist
+9714 230 7807
jeanp@emiratesnbd.com

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

Mohammed Al-Tajir
Manager, FX Analytics and Product Development
+9714 609 3005
mohammedtaj@emiratesnbd.com

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

Aditya Pugalia
Analyst
+9714 230 7802
adityap@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
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