The Week Ahead: All eyes on US presidential election

Economics Team

Monica Malik, Ph.D.
Chief Economist
+971 (0)2 696 8458
Monica.Malik@adcb.com

Shailesh Jha
Economist
+971 (0)2 696 2704
Shailesh.Jha@adcb.com

Contents

US: Narrow lead for Clinton going into election

The key event this week will be the US presidential election on 8 November, with the result expected to be announced the following day. Recent polls show the gap between Democratic candidate Hillary Clinton and Republican candidate Donald Trump has narrowed substantially. An average of recent nationwide polls indicates that Clinton has a lead of around 3ppt. The narrowing gap and the surprise Brexit vote have raised uncertainty, though markets found support after the FBI announced that no criminal charges were warranted against Clinton. We believe that a Clinton victory would set the stage for a 25 bps rate hike by the Fed in December. Notably, the tweaks to the November post-meeting statement showed the Fed is becoming more comfortable with a rate rise in the near term. There was also a nod to the recent pickup in inflation. However, the FOMC did not explicitly reference December in the statement, which we believe was likely due to the election.

China: Data expected to reflect gradual pickup in activity

In a quiet data week, the key releases will be from China. Overall we expect the data to reflect a further gradual rise in the momentum of economic activity, mainly led by stronger investment activity. With the measured pickup in domestic demand and higher commodity prices, the contraction in imports is forecast to moderate to -1.1% y-o-y in October (down from -1.9% y-o-y in September). The higher commodity demand is also expected to be reflected in the import volume data. External demand for Chinese products remains weak, though consensus forecasts some improvement in the yearly growth figure on the base effect. Meanwhile, consensus expects consumer inflation to strengthen to 2.1% y-o-y in October (September: 1.9%), on the back of higher food and energy prices.

Egypt: Floats EGP, bringing IMF deal a step closer

In the MENA region, the focus will be on the EGP, which has fallen by over 50% since it was floated on 3 November. Initial indications suggest that the CBE will allow the currency to fully adjust this time, after previous devaluation rounds still resulted in tight control of the EGP. We see a possibility of the EGP overshooting to the downside in the near term, as the backlog of FX demand is cleared. Further injections of FX into the real economy are vital for this process and to eliminate the parallel market. A key support going forward will be the expected building up of FX reserves, once the IMF programme has been secured. The floating of the EGP and further subsidy reforms bode well for Egypt securing a three-year USD12 billion IMF Extended Fund Facility (EFF). We, and the market, expect the EFF to be approved by the IMF in the coming weeks. We expect Egypt's inflation rate to accelerate to above the 20% y-o-y level as a result of the EGP devaluation and latest round of subsidy reforms, despite benchmark rates being raised by 300 bps.

I. Recent Events and Data Releases

A. MENA Economies

Egypt: CBE floats EGP and raises benchmark rate by 300 bps

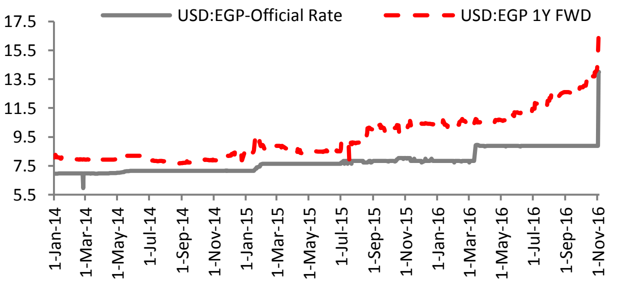
EGP to float freely, determined by supply and demand

The Central Bank of Egypt (CBE) floated the EGP on 3 November, setting an initial guidance level of EGP13:USD. The official rate had been around EGP8.8:USD since March this year, though the rate in the parallel market touched EGP18:USD last week. Egyptian banks were initially told that they could trade within a +/-10% band to the new rate, ahead of a FX sale later the same day, after which the CBE announced that the EGP would be able to float freely. Following the auction, the EGP fell to around the 14.2 level against the USD (on 3 November), and has subsequently dropped to around the 15.4 mark (time of publishing). The CBE offered just USD100 million at a special FX auction on 3 November, which they indicated was primarily aimed at narrowing the gap with the parallel market. We see the move to liberalise the EGP as highly positive, especially as the initial indication suggested that the CBE would allow the currency to adjust fully. This is after previous devaluations, when tight control of the EGP was maintained.

Other initiatives were also announced to support the flexibility of the EGP and to increase FX liquidity. These include the CBE indicating that it will monitor market activity and hold multiple price auctions when necessary. We believe that increasing the availability of FX in the real economy will also be critical in ending the parallel USD market.

Fig. 1. Egypt: EGP has weakened by over 50% after liberalisation on 3 November

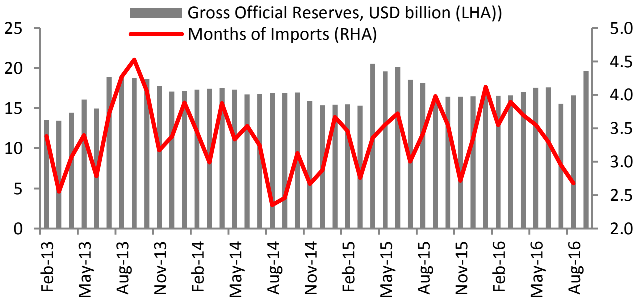
USD:EGP



Source: Bloomberg

Fig. 2. Egypt: IMF deal should raise Egypt's FX reserve position, which will be vital in supporting EGP

USD billion



Source: Central Bank of Egypt

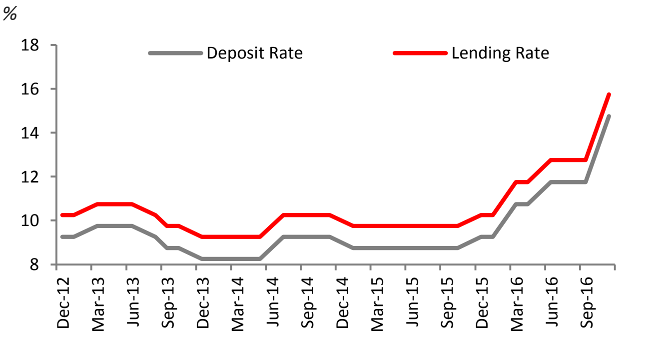
Egypt's FX policy and resultant FX shortages have severely hampered economy

We were surprised by the timing of the announcement, as we had expected the devaluation and currency reform to take place after an IMF agreement with Egypt was finalised, which would have provided higher FX reserves to shore up support for the EGP. The overvalued EGP and resultant USD shortages in the economy have hampered economic activity. The policy has also resulted in an erosion of FX reserves to support the EGP and difficulties accessing vital imports linked to consumption and investment. Moreover, EGP uncertainties and USD shortages have been a key bottleneck in attracting foreign capital and investment, which are critical to meeting the government's funding requirements and bolstering investment. The more flexible exchange rate will be positive for the macro outlook and for easing external imbalances. Nevertheless, wider structural economic reforms are also required to place the economy on a better footing.

We see a possibility of the EGP overshooting to the downside in the near term, as the backlog of FX demand is cleared. However, a key support will be the expected building up of FX reserves (USD19.6 billion in September), once the IMF programme has been secured. The floating of the EGP and further subsidy reforms (see below) bodes well for agreement of the three-year USD12 billion IMF Extended Fund Facility (of which around USD6 billion has been raised bilaterally). Once the IMF deal has been secured, Egypt has indicated that it would look to issue around USD2-3 billion in international debt. This could help bring FX reserves to around USD24-25 billion, a level not seen since just after the 2011 revolution. Moreover, CBE Governor Tarek Amer has indicated that the funding gap for FY2016-17 (July-June) is almost covered. The reduction of the parallel market will also be vital in restoring FX liquidity to the official banking system.

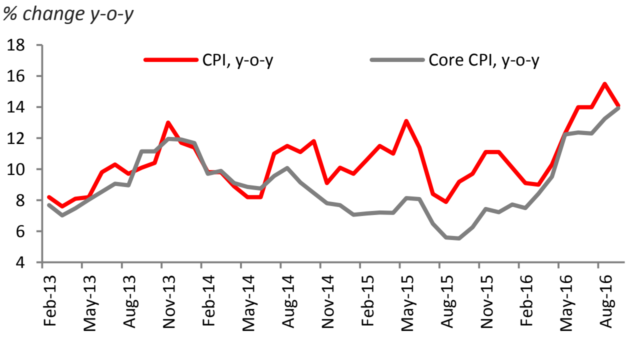
IMF programme vital for building up FX reserves

Fig. 3. Egypt: Benchmark lending and deposit rates raised by 300 bps following EGP float



Source: Central Bank of Egypt

Fig. 4. Egypt: Inflation expected to spike above 20% y-o-y on EGP weakening and further subsidy reforms



Source: Central Bank of Egypt

The CBE raised key interest rates by 300 bps on 3 November – the overnight deposit to 14.75% and the overnight lending rate to 15.75%. We see this as intended to: i) contain pressure for a further inflation increase; ii) lower EGP depreciation expectations; and iii) support the carry trade and EGP deposits in the system. We think inflation could spike to above 20% y-o-y following the EGP devaluation and subsidy reforms. Complementing the CBE float of the EGP, the government announced further subsidy reforms (effective 4 November). These include increasing gasoline prices by 35-45% and diesel by 31%. The price of subsidised butane gas cylinders was also raised by 88%. We expect this to dampen private consumption and increase social pressures. The government will need to bring down inflation, without which the pace of fiscal reforms could slow.

Benchmark lending rate raised by 300 bps to provide vital support to EGP and reduce inflationary risks

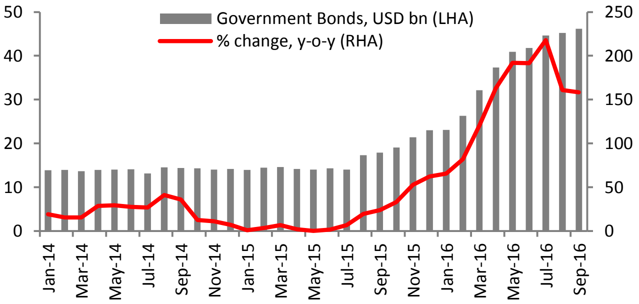
Saudi Arabia: Interbank rates moderate, likely due to bond issuance

Monetary data for September showed that SAMA’s NFAs fell by -USD7.4 billion, to USD546.7 billion. This was the largest monthly drop since June 2016 (-USD11.1billion). However, we believe that the magnitude of the September fall was largely due to the limited drop in SAMA’s NFAs in August of just -USD1.3 billion. Combining both the August and September figures, the average fall stood at -USD4.3 billion – below the recent trend levels. There was a marginally higher pace of government borrowing from the banking sector and drawdown in government deposits in September in monthly terms, compared to August, to help cover the fiscal deficit. We expect monetary trends to change in October, following the issuance of the USD17.5 billion sovereign bond. We expect a rise in government deposits to the banking sector and an increase in SAMA’s NFAs. Indeed,

SAMA’s NFAs fell by -USD7.4 billion in September, partly compensating for weaker August drop interbank rates have fallen since the end of October, pointing to a moderate improvement in banking sector liquidity conditions.

Fig. 5. Saudi Arabia: Government borrowing from banking sector continued to rise in September

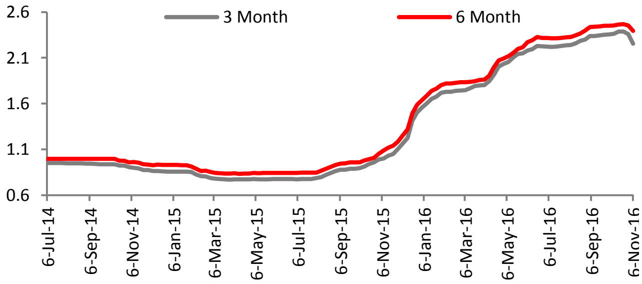
USD billion (LHA); % change y-o-y (RHA)



Source: SAMA

Fig. 6. Saudi Arabia: SAIBOR has edged down since end-October, indicating some improvement in liquidity

%



Source: Bloomberg

New finance minister announced: Separately, Saudi Arabia announced Mohammed al-Jadaan, the chairman of the Capital Market Authority (CMA), as the new finance minister last week, removing veteran Ibrahim al-Assaf. This reshuffle replaces the last of the old guard from key government portfolios. Please see our note – **Saudi Arabia: Significant government reshuffle to support "Vision 2030"**, published on 8 May. We believe that the recent reshuffles are aimed at progressing the government's vital reform programme. The successful issuance of Saudi Arabia's first international bond could have influenced the timing of this appointment. Since heading the CMA since early 2015, Mohammed al-Jadaan has made progress opening up the Saudi market to qualified foreign investors. We expect fiscal policy under his leadership to continue to focus on consolidation and reducing the size of the government deficit.

Focus expected to remain on fiscal consolidation

B. G4 Economies

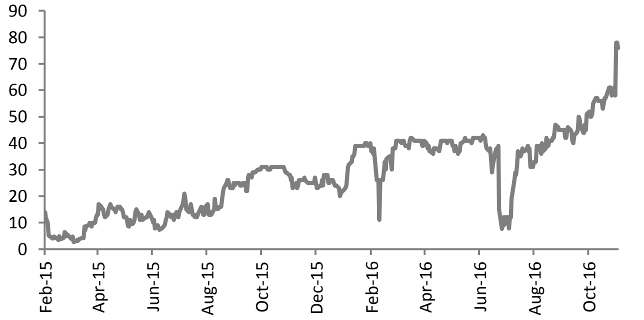
US: Monetary policy kept steady; hint of December rate hike

The Fed kept its monetary policy steady at its 1-2 November meeting, including the target range for the FFTR at 0.25–0.50%. This was in line with our expectations and the market's. The post-meeting policy statement contained only a few changes to the language. However, these were significant enough to reinforce our expectations of a December 2016 rate hike of 25 bps. The forward guidance noted that the case for a hike had "continued to strengthen", suggesting that the FOMC is getting more comfortable with a December rate rise. There was also a nod to the recent pick-up in inflation on the back of higher energy prices. The statement noted that inflation has "increased somewhat since earlier this year", alongside highlighting an increase in market-based measures of inflation expectations.

Fed indicated greater comfort for short-term interest rate hike

Fig. 7. US: Markets see above 70% chance of 25 bps rate hike at Fed's December meeting

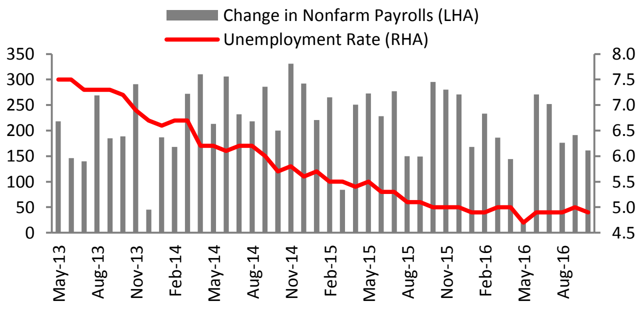
Probability of 25 bps rate hike at the December FOMC meetings



Source: Bloomberg

Fig. 8. US: Jobs growth has remained solid averaging 179K in past six months

'000 (LHA); % (RHA)



Source: Bureau of Labor Statistics

US presidential election the next hurdle

Importantly, the Fed did not explicitly reference December in the statement. We believe that this was likely due to the US presidential election (in the event of a surprise) taking place this week and the fact that markets are largely expecting a rate hike this December (unlike this time last year). There were only two dissenters at the November meeting, with Boston Fed President Eric Rosengren this time supporting the decision to hold (versus wanting a rise in September). Again we see this as being due to the proximity of the elections rather than a change in his views on the appropriate rate policy. With the October NFP data supportive of a rate hike (see below), we see the presidential election as the next hurdle. Markets are still largely factoring in a Clinton presidency and a Republican majority in the House. If this is the outcome and markets remain calm, we expect the Fed to deliver a hike in December.

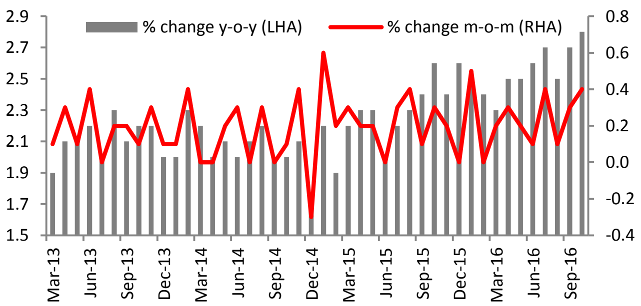
US: Healthy jobs creation in October, unemployment falls to 4.9%

Data points to ongoing tightening in labour market

The NFP data for October was solid, including on the job gain and wages fronts. The US economy added 161K jobs in October, marginally less than consensus expectations of 173K. However, the net revisions to the previous two months stood at +44K, bringing the September number to 191K and August to 176K. The rate of jobs growth remains comfortably above the Fed's estimate of the breakeven rate of employment growth of around 100K. The six-month average stands at 179K and the three-month at 176K. Services jobs rose by 142K in October, whilst jobs in the goods sector were flat.

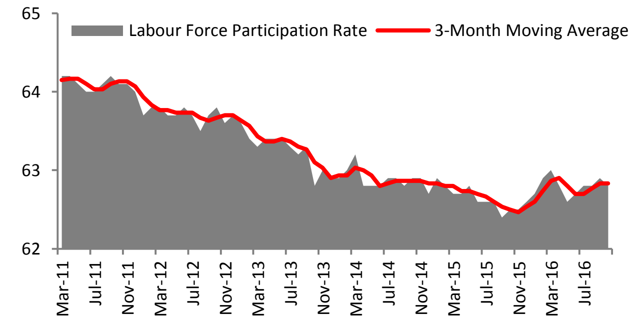
Importantly, average hourly wage growth accelerated to 0.4% m-o-m (consensus: 0.3%), taking the yearly rate to 2.8% y-o-y. Wage growth has gradually ticked up over the last two years as the pool of available labour has narrowed. The unemployment rate fell to 4.9% in October (5% in September), though the participation rate moderated to 62.8% in October from 62.9% in September. Nevertheless, the unemployment rate averaging 4.9% YTD despite a gradual rise in the participation rate is positive. Overall, the data shows that the labour market is continuing to tighten, though there was likely some support from Hurricane Matthew (hours worked and utility jobs). We believe that the labour market developments are supportive of a December rate hike.

Fig. 9. US: Wage growth rose to 2.8% y-o-y in October, from 1.7% in December 2014



Source: Bureau of Labor Statistics

Fig. 10. US: Unemployment rate has averaged 4.9% YTD, despite gradual tick up in participation rate



Source: Bureau of Labor Statistics

Energy prices driving up inflation

Personal spending and PCE data: Consumer spending came in slightly stronger than expected in September, as households increased purchases of motor vehicles. Personal spending rose by 0.5% m-o-m in September (consensus: 0.4%), albeit from a downwardly revised -0.1% m-o-m in August. The PCE deflator also pointed to a steady rise in inflation, which further supports the outlook for a December rate hike. The PCE deflator increased by 0.2% m-o-m, in line with expectations. This resulted in the annual rate rising to 1.2% y-o-y in September, up from 1% y-o-y in August. The gain was mainly due to a smaller drag from energy prices. Core PCE remained stable at 1.7% y-o-y. This data has already been included in 3Q GDP.

UK: BoE expected to remain on hold in upcoming period

More hawkish tone from MPC – significant changes to forecasts

The Bank of England (BoE) kept monetary policy steady at its November meeting, including leaving the policy rate at 0.25% and maintaining its asset purchase targets. This was in line with our expectations after solid economic data and a pickup in inflation. The MPC was unanimous in keeping monetary policy steady. However, there were significant changes to the policy statement, making it more hawkish than the market had expected. Notably, the MPC removed the guidance that rates would be lowered further if the growth outlook deteriorated and indicated that there would be limits to how high an inflation level the BoE will tolerate. The revisions to the BoE's economic forecasts were also significant, in part reflecting a later impact from the Brexit process on growth. GDP growth in 2017 was upwardly revised to 1.4% (from 0.8% earlier). However, the BoE turned less optimistic for its growth outlook in 2018 and 2019. The BoE revised up its inflation forecasts in response to the sharp GBP depreciation over recent months. The BoE now expects inflation to overshoot the 2% target from 2Q2017, until the end of its forecast horizon (4Q2019). Inflation was forecast to peak at 2.9% in early 2018. As a result of these changes, we expect the BoE to remain on hold for the upcoming period, as it tries to balance growth and inflation.

High Court ruling raises uncertainty over triggering Article 50

Meanwhile, uncertainty over the timing of the Brexit negotiations increased after a High Court ruling that requires parliamentary approval to trigger Article 50. Prior to this, the government was planning to use its executive powers to evoke Article 50. The government is expected to appeal, with a decision likely before the year end. Thus, Article 50 could still be triggered by end-March 2017, as recently indicated by Prime Minister Theresa May. Separately, BoE Governor Mark Carney announced his decision to stay in charge of the central bank for an extra year until the end of June 2019 to help smooth the UK's departure from the European Union.

Eurozone: 3Q GDP growth remains steady at 0.3% q-o-q

Weak growth and core inflation support outlook for extension of ECB programme in December

Real GDP growth continued at a steady pace at 0.3% q-o-q in 3Q (as in 2Q), in line with consensus expectations. A breakdown of GDP data is not yet available, though we continue to see domestic demand as the main growth driver. On a country level, there was a pick-up in activity in France (0.2% q-o-q in 3Q, after –0.1% in 2Q) and a gradual moderation in Spain (0.7% q-o-q after 0.8% in 2Q). Data for Germany and Italy will only be released in mid-November, and we expect to see an acceleration in the pace of expansion in Germany. Core inflation remained steady at 0.8% y-o-y in October, reinforcing our expectations that the ECB will extend its asset-buying programme in December. The large output gap continues to weigh on core inflation. However, headline inflation ticked up to 0.5% y-o-y in October (from 0.4% in September) with a smaller drag from energy prices.

Japan: BoJ remains on hold; inflation forecasts revised downwards

BoJ likely in holding pattern unless there is marked strengthening in JPY

No surprise from the BoJ last week with policy remaining steady (rate at -0.1% and long-term yield target at around 0%), alongside a downwards revision to the inflation outlook. We had not expected a change in policy after the BoJ introduced its new QQE programme in September and started its yield-curve control policy. The BoJ maintained its JGB purchases at JPY80 trillion. We believe that the level of JGB purchases will likely have to be gradually reduced to allow the yield curve to steepen (a key objective of the new policy). We do not expect a change in the interest rate policy in the near term (three to six months) unless there is a sharp appreciation of the JPY or a deterioration in the inflation dynamics.

BoJ's GDP growth and inflation forecasts continue to look optimistic

Under the new projections, inflation is not expected to reach the 2% target before April 2018 (from FY2017). The BoJ lowered all its inflation forecasts by 0.2 ppt in the quarterly outlook report. There was no change to the GDP growth forecast, though the bank noted that both growth and inflation risks are still "skewed to the downside". We expect to see further downwards revisions to the BoJ's growth and inflation forecasts, with both currently remaining optimistic in our view. We continue to highlight the need for structural economic reform and greater fiscal policy support to boost both the growth and inflation outlooks.

II. Economic Calendar

Fig. 11. Upcoming events and data releases

Time*	Country	Event	Period	Prior	Consensus
Data expected this week					
	Oman	Nominal GDP, YTD y-o-y	2Q	-12.2%	--
	UAE	CPI, y-o-y	Sep	0.6%	--
	India	Trade Balance	Oct	-$8339.6M	--
	India	Imports, y-o-y	Oct	-2.5%	--
	India	Exports, y-o-y	Oct	4.6%	--
	China	Foreign Direct Investment, CNY y-o-y	Oct	1.2%	2.5%
	China	Aggregate Financing, CNY	Oct	1720B	1000B
	China	New Yuan Loans, CNY	Oct	1220B	676B
	China	Money Supply M2, y-o-y	Oct	11.5%	11.4%
Monday, 7 Oct					
3:50	Japan	BOJ Minutes of Sept. 20-21 Meeting			
12:30	UK	Halifax House Prices, m-o-m	Oct	0.1%	0.2%
12:30	UK	Halifax House Price, 3Mths y-o-y	Oct	5.8%	4.9%
14:00	Eurozone	Retail Sales, m-o-m	Sep	-0.1%	-0.3%
14:00	Eurozone	Retail Sales, y-o-y	Sep	0.6%	1.2%
18:00	Eurozone	Euro-Area Finance Ministers Meet in Brussels			
19:00	US	Labor Market Conditions Index Change	Oct	-2.2	--
	China	Foreign Reserves	Oct	$3166.4B	$3132.5B
	Egypt	Gross Official Reserves	Oct	$19.6B	--
Tuesday, 8 Nov					
13:30	UK	Industrial Production, m-o-m	Sep	-0.4%	0%
13:30	UK	Manufacturing Production, m-o-m	Sep	0.2%	0.4%
16:45	US	Fed's Evans Speaks on Economy and Policy in New York			
19:00	US	JOLTS Job Openings	Sep	5443	5469
21:20	US	Fed's Evans Speaks on Economy and Policy in New York			
	China	Trade Balance	Oct	$41.99B	$51.7B
	China	Exports, y-o-y	Oct	-10%	-6%
	China	Imports, y-o-y	Oct	-1.9%	-1.1%
	US	Presidential Election			
Wednesday, 9 Nov					
3:50	Japan	BoP Current Account Balance	Sep	¥2000.8B	¥1975.8B
5:30	China	CPI, y-o-y	Oct	1.9%	2.1%
5:30	China	PPI, y-o-y	Oct	0.1%	0.9%
8:15	UAE	Dubai Economy Tracker SA	Oct	55.1	--
14:00	Eurozone	European Commission Economic Forecasts			
16:00	US	MBA Mortgage Applications	4-Nov	-1.2%	--
19:00	US	Wholesale Inventories MoM	Sep F	0.2%	0.2%
22:30	US	Fed's Kashkari Speaks in Eau Claire, Wisconsin			
Thursday, 10 Nov					
3:50	Japan	BOJ Summary of Opinions at Oct. 31-Nov.1 Meeting			
3:50	Japan	Machine Orders, m-o-m	Sep	-2.2%	-1.8%
6:00	US	Fed's Williams Speaks on Economic Outlook in San Francisco			
17:30	US	Initial Jobless Claims	5-Nov	265K	260K
17:30	US	Continuing Claims	29-Oct	2026K	2022K
18:15	US	Fed's Bullard Speaks on US Economic Outlook in St. Louis			
	Egypt	Urban CPI, y-o-y	Oct	14.1%	--
	Egypt	CPI Core, y-o-y	Oct	13.9%	--
Friday, 11 Nov					
16:00	India	Industrial Production, y-o-y	Sep	-0.7%	0.6%
19:00	US	U. of Mich. Sentiment	Nov P	87.2	87

* UAE time
Source: Bloomberg

Fig. 12. Last week's data

Time*	Country	Event	Period	Prior	Consensus	Actual
GCC Data						
	Saudi Arabia	M2 Money Supply, y-o-y	Sep	-2.3%	--	-3.3
	Saudi Arabia	SAMA Net Foreign Assets, SAR	Sep	2077.7B	--	2050.1B
	Qatar	M2 Money Supply, y-o-y	Sep	-6%	--	-4.7
Monday, 31 Oct						
3:50	Japan	Industrial Production, m-o-m	Sep P	1.3%	0.9%	0%
3:50	Japan	Retail Trade, y-o-y	Sep	-2.2%	-1.8%	-1.9%
13:30	UK	Mortgage Approvals	Sep	61K	61.5K	62.9K
14:00	Eurozone	CPI Estimate, y-o-y	Oct	0.4%	0.5%	0.5%
14:00	Eurozone	CPI Core, y-o-y	Oct A	0.8%	0.8%	0.8%
14:00	Eurozone	GDP SA, q-o-q	3Q A	0.3%	0.3%	0.3%
14:00	Eurozone	GDP SA, y-o-y	3Q A	1.6%	1.6%	1.6%
16:30	US	Personal Income, m-o-m	Sep	0.2%	0.4%	0.3%
16:30	US	Personal Spending, m-o-m	Sep	-0.1%	0.4%	0.5%
16:30	US	PCE Core, y-o-y	Sep	1.7%	1.7%	1.7%
17:45	US	Chicago Purchasing Manager	Oct	54.2	54	50.6
Tuesday, 1 Nov						
5:00	China	Manufacturing PMI	Oct	50.4	50.3	51.2
5:45	China	Caixin China PMI Manufacturing	Oct	50.1	50.1	51.2
9:00	India	Nikkei India PMI Manufacturing	Oct	52.1	--	54.4
13:30	UK	Markit UK PMI Manufacturing SA	Oct	55.5	54.5	54.3
18:00	US	Construction Spending, m-o-m	Sep	-0.5%	0.5%	-0.4
18:00	US	ISM Manufacturing	Oct	51.5	51.7	51.9
Wednesday, 2 Nov						
11:00	UK	Nationwide House Px NSA, y-o-y	Oct	5.3%	4.9%	4.6%
13:30	UK	Markit/CIPS UK Construction PMI	Oct	52.3	51.8	52.6
15:00	US	MBA Mortgage Applications	28-Oct	-4.1%	--	-1.2%
16:15	US	ADP Employment Change	Oct	202K	165K	147K
22:00	US	FOMC Rate Decision (Upper Bound)	2-Nov	0.5%	0.5%	0.5%
22:00	US	FOMC Rate Decision (Lower Bound)	2-Nov	0.25%	0.25%	0.25%
Thursday, 3 Nov						
8:15	Saudi Arabia	Saudi Arabia PMI	Oct	55.3	--	53.2
8:15	Egypt	Egypt PMI	Oct	46.3	--	42
8:15	UAE	UAE PMI	Oct	54.1	--	53.3
9:00	India	Nikkei India PMI Services	Oct	52	--	54.5
9:00	India	Nikkei India PMI Composite	Oct	52.4	--	55.4
13:30	UK	Markit/CIPS UK Services PMI	Oct	52.6	52.5	54.5
13:30	UK	Markit/CIPS UK Composite PMI	Oct	53.9	53.5	54.8
14:00	Eurozone	Unemployment Rate	Sep	10%	10%	10%
16:00	UK	Bank of England Bank Rate	3-Nov	0.25%	0.25%	100.25%
16:00	UK	BOE Asset Purchase Target	Nov	435B	435B	435B
16:30	US	Initial Jobless Claims	29-Oct	258K	256K	265K
17:45	US	Markit US Services PMI	Oct F	54.8	54.8	54.8
17:45	US	Markit US Composite PMI	Oct F	54.9	--	54.9
18:00	US	ISM Non-Manf. Composite	Oct	57.1	56	54.8
Friday, 4 Nov						
13:00	Eurozone	Markit Eurozone Composite PMI	Oct F	53.7	53.7	53.3
16:30	US	Trade Balance	Sep	-$40.5B	-$38B	-$36.4B
16:30	US	Change in Nonfarm Payrolls, '000	Oct	191K	173K	161K
16:30	US	Unemployment Rate	Oct	5%	4.9%	4.9%

* UAE time
Source: Bloomberg

This report is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this report nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this report does not oblige Abu Dhabi Commercial Bank PJSC ("ADCB") to enter into any transaction.

The content of this report should not be considered legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the report 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 this report.

Information contained herein is based on various sources, including but not limited to public information, annual reports and statistical data that ADCB considers accurate and reliable. However, ADCB makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this report 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 this report.

Charts, graphs and related data or information provided in this report are intended to serve for illustrative purposes only. The information contained in this report 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. All statements as to future matters are not guaranteed to be accurate. ADCB expressly disclaims any obligation to update or revise any forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

This report is being furnished to you solely for your information and neither it nor any part of it may be used, forwarded, disclosed, distributed or delivered to anyone else. You may not copy, reproduce, display, modify or create derivative works from any data or information contained in this report.