

Mixed economic signals

بنك الإمارات
للإستثمار

EMIRATES INVESTMENT BANK

LOOKING BACK

- US data denotes moderate economic growth.** After job additions of only 20,000 in February, the labour market posted a rebound in March, adding 196,000 non-farm payrolls. A flat unemployment rate as well as small increases in March average hourly wages indicate that the weak February job numbers, hit by a cold weather and the government shutdown were an anomaly. US manufacturing activity remained upbeat with a manufacturing PMI reading of 55.3 in March, rising above February's 54.2. Aided by a pick-up in new orders, US manufacturing activity remained well in expansionary mode while construction activity posted gains for a third consecutive month.
- UK lawmakers seek a Brexit delay.** The lower house of parliament passed a resolution to seek a Brexit delay in order to avoid an automatic no-deal Brexit on April 12. Some EU members suggested an extension be granted, subject to the UK's participation in the May 23 EU elections. Amid Brexit uncertainties, the UK's manufacturing PMI jumped to 55.1 in March, posting its highest level since February 2018. UK manufacturers increased output, contrasting their Eurozone counterparts, on elevated concerns of import and export hold-ups. The FTSE100 gained 2.3% on the week while the GBP remained flat against the USD.
- Eurozone economy continues to be bogged down by slackening demand.** Adding to the pressure on the ECB, Eurozone headline inflation ebbed to 1.4% in March from 1.5% in February, much below the ECB's target of close to 2.0%. Eurozone manufacturing activity remained subdued with the manufacturing PMI further slipping to 47.5 in March from 49.3 in February. German industrial output rose 0.7% in February compared to a contraction of 0.8% in January, as mild weather helped the surge in construction activity, although other manufacturing output dipped. Overall, the economic readings denote increased downside risks for the Eurozone economy.
- Chinese manufacturing posts a strong rebound.** New orders rose to their four month high in China on stronger domestic and external demand, which aided a rebound in the manufacturing PMI to an eight month high of 50.8 in March, against 49.9 in February. Chinese manufacturers seemed to have also gained confidence from positive developments in US-China trade talks as well as an accommodative financial environment and the Government's support for private manufacturers. Helped by positive economic sentiment, the Shanghai Composite Index rose 5.0% on the week.

LOOKING FORWARD

- Japan will report its balance of payments data on **Monday**. The US reports CPI on **Wednesday**, while the FOMC minutes will be released on the same day. China will report its foreign trade balance data **Friday**.



MAIN CROSS RATES

€ 1 ————— \$ 1.1216

£ 1 ————— \$ 1.3038

\$ 1 ————— ¥ 111.73

	Yield % (05/04)	Yield % (31/03)
Abu Dhabi 2021	2.54	2.59
KSA 2021	2.96	2.96
Dubai 2023	3.59	3.59
Qatar 2023	2.94	2.94
US 10Y	2.50	2.41
German 10Y	0.01	-0.07

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,150	2.0%	14.1%
MSCI BRIC	331	2.5%	16.6%
MSCI EM	1,085	2.6%	12.4%
USA - S&P 500	2,893	2.1%	15.4%
UK- FTSE 100	7,447	2.3%	10.7%
France - CAC40	5,476	2.3%	15.8%
Germany - DAX	12,010	4.2%	13.7%
Japan - Nikkei 225	21,808	2.8%	9.0%
Dubai	2,776	5.5%	9.7%
Abu Dhabi	5,032	-1.3%	2.4%
Saudi	9,064	3.1%	15.8%
Oman	3,940	-1.6%	-8.9%
Kuwait	4,956	1.7%	4.6%
Egypt	15,248	4.0%	17.0%
Qatar	10,190	0.4%	-1.1%
Commodities			
Gold (\$/oz)	1,292	0.0%	0.7%
Silver (\$/oz)	15	-0.1%	-2.5%
Platinum (\$/oz)	901	6.1%	13.3%
Oil - Brent (\$/bbl)	70	2.9%	30.7%

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EMIRATES INVESTMENT BANK

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