

IMF pares down its global growth forecast

بنك الإمارات
للاستثمار

EMIRATES INVESTMENT BANK

LOOKING BACK

- IMF trims global GDP growth forecast.** Acknowledging waning growth, the International Monetary Fund (IMF) trimmed its 2019 global GDP growth forecast to 3.3% from an earlier 3.5%. The lower forecast was attributed to a cut to all major economies except China. The IMF said that favourable advances in trade discussions as well as the potential crystallisation of a Brexit solution by the second half of the year are likely to lead to an improvement in global growth. Meanwhile, China is predicted to fare better on a state backed credit push as well as increased exports.
- US labour market continues to be firm.** In line with strong job additions, US initial jobless claims declined for a fourth consecutive week to 169,000 for the week ended April 6. Pointing towards a sustained strength in the labour market, the less volatile four week unemployment claims average fell to the lowest level in the last 49 years to 207,000. Despite the strong labour market, a weak core inflationary trend prevailed as the producer price index (PPI) rose only 0.6% in March against 0.1% in February. Gasoline prices, which increased 16% in March, contributed to the bulk of the PPI increase, as it measured flat when excluding energy, food and trade services.
- European Union extends Brexit deadline until October.** Outlining definite timelines, the European Union agreed to the UK's request for a Brexit delay, provided the UK participates in the upcoming EU elections on May 23. Although the EU has consented to the extension until October 31, the UK may still be forced out of the EU by June 1 if PM May fails to receive the necessary backing from UK lawmakers to participate in the elections.
- Chinese exports bounce back to improve trade surplus.** Registering the fastest growth for five months, Chinese exports rose 14.2% YoY in March. The strong growth in exports coupled with weaker imports, which declined 7.6% YoY, improved China's trade surplus to US\$32.6 billion for March. In a state push, Chinese banks extended additional credit of RMB1.7 trillion in March, taking the first quarter total advances to RMB5.8 trillion. Easier credit seems to be bearing fruit with export related manufacturing on the rise.

LOOKING FORWARD

- The US will report Industrial Production (IP) on **Monday** while its trade balance figures will be released on **Tuesday**. China reports its IP on **Wednesday** while the European manufacturing PMI will be released by **Thursday**.



MAIN CROSS RATES

€ 1 ————— \$ 1.1299

£ 1 ————— \$ 1.3074

\$ 1 ————— ¥ 112.02

	Yield % (14/04)	Yield % (07/04)
Abu Dhabi 2021	2.63	2.54
KSA 2021	2.93	2.96
Dubai 2023	3.51	3.59
Qatar 2023	2.92	2.94
US 10Y	2.57	2.50
German 10Y	0.06	0.01

Equities	Last Price	Weekly Chg	YTD Chg
MSCI World	2,159	0.4%	14.6%
MSCI BRIC	331	0.0%	16.5%
MSCI EM	1,089	0.4%	12.8%
USA - S&P 500	2,907	0.5%	16.0%
UK- FTSE 100	7,437	-0.1%	10.5%
France - CAC40	5,503	0.5%	16.3%
Germany - DAX	12,000	-0.1%	13.6%
Japan - Nikkei 225	21,871	0.3%	9.3%
Dubai	2,790	0.5%	10.3%
Abu Dhabi	5,052	0.4%	2.8%
Saudi	9,088	0.3%	16.1%
Oman	3,984	1.1%	-7.9%
Kuwait	5,013	1.1%	5.8%
Egypt	15,106	-0.9%	15.9%
Qatar	10,259	0.7%	-0.4%
Commodities			
Gold (\$/oz)	1,290	-0.1%	0.6%
Silver (\$/oz)	15	-0.9%	-3.4%
Platinum (\$/oz)	891	-1.1%	12.0%
Oil – Brent (\$/bbl)	72	1.7%	33.0%

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