Emirates NBD 60

60 years **together**

The soft landing goes global

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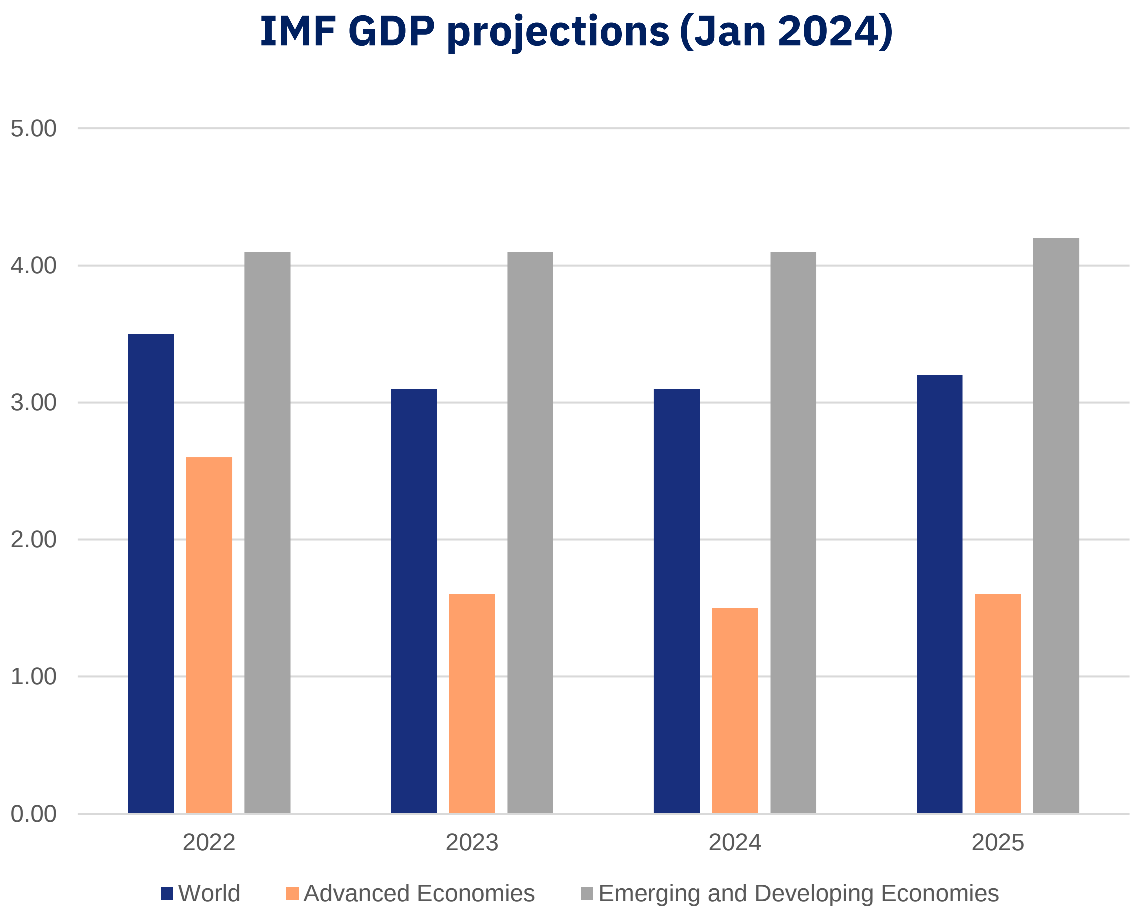
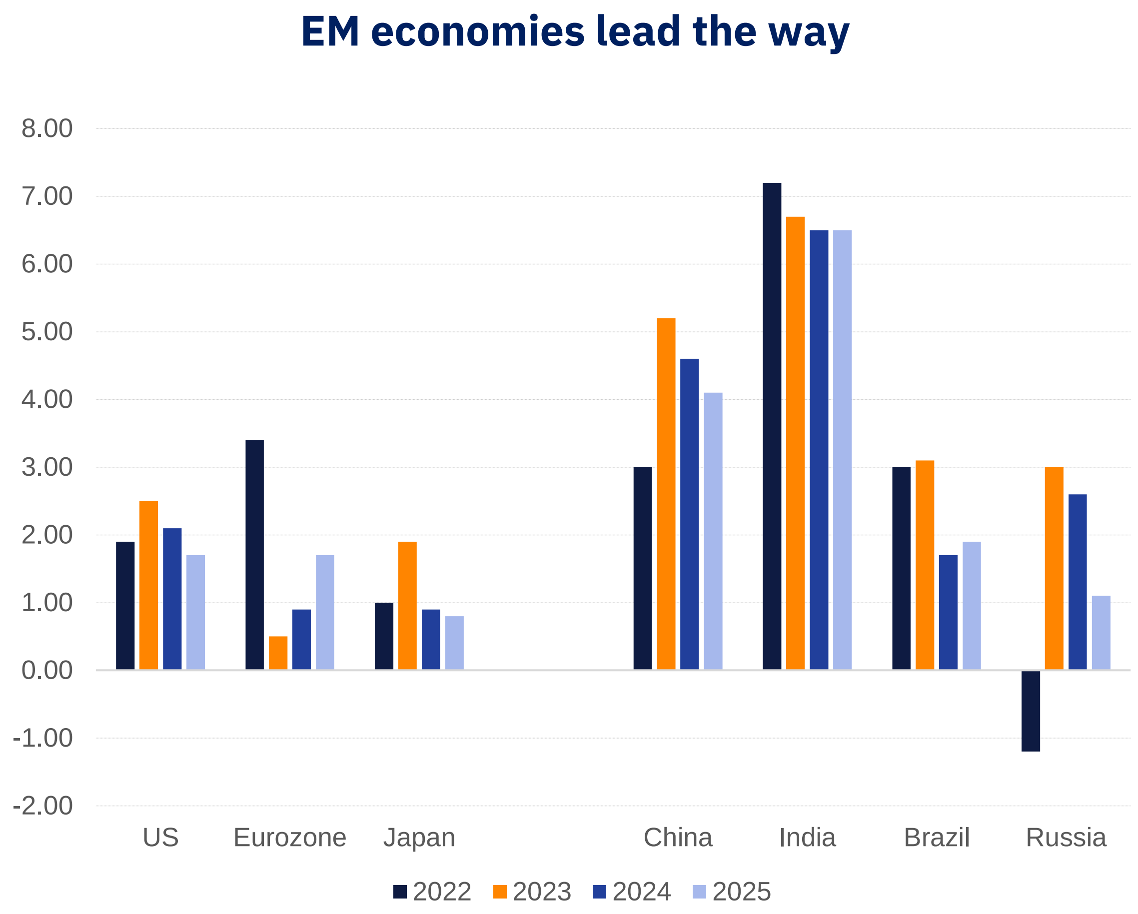
February 2024

The soft landing goes global

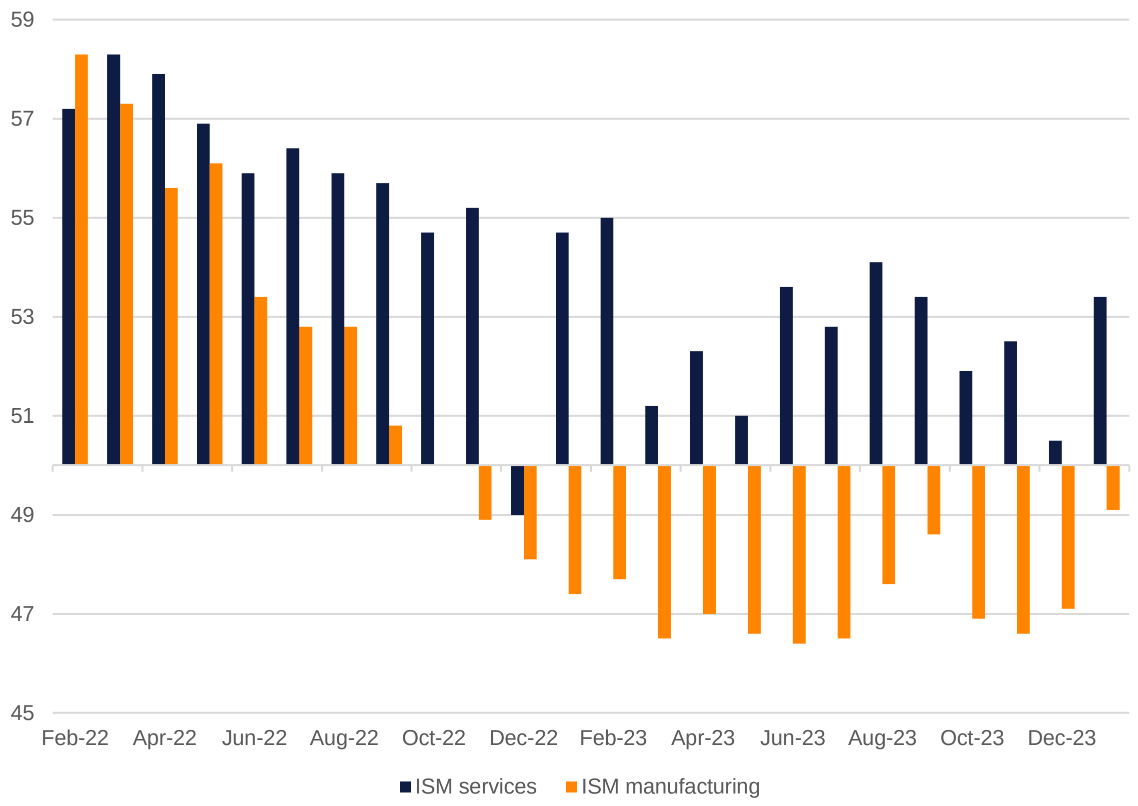




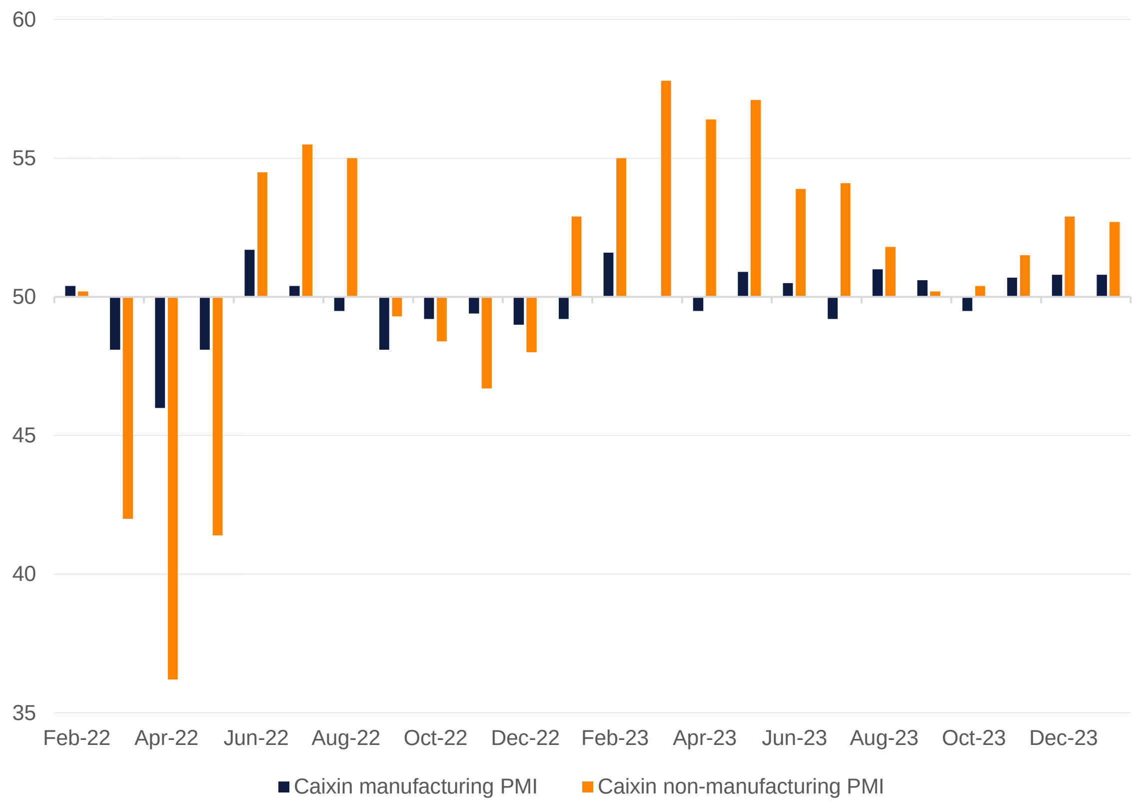
Source: IMF, Emirates NBD Research

Manufacturing tailing off

US economy powered by services



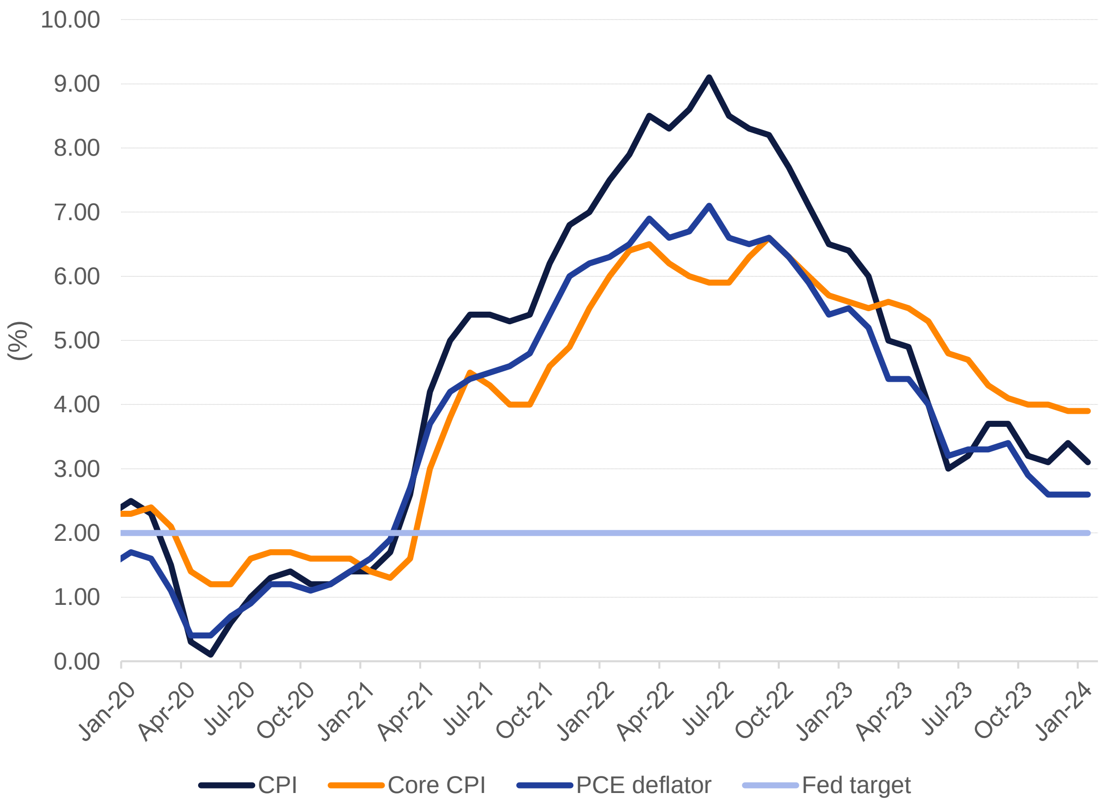
China didn’t get the post-Covid bounce



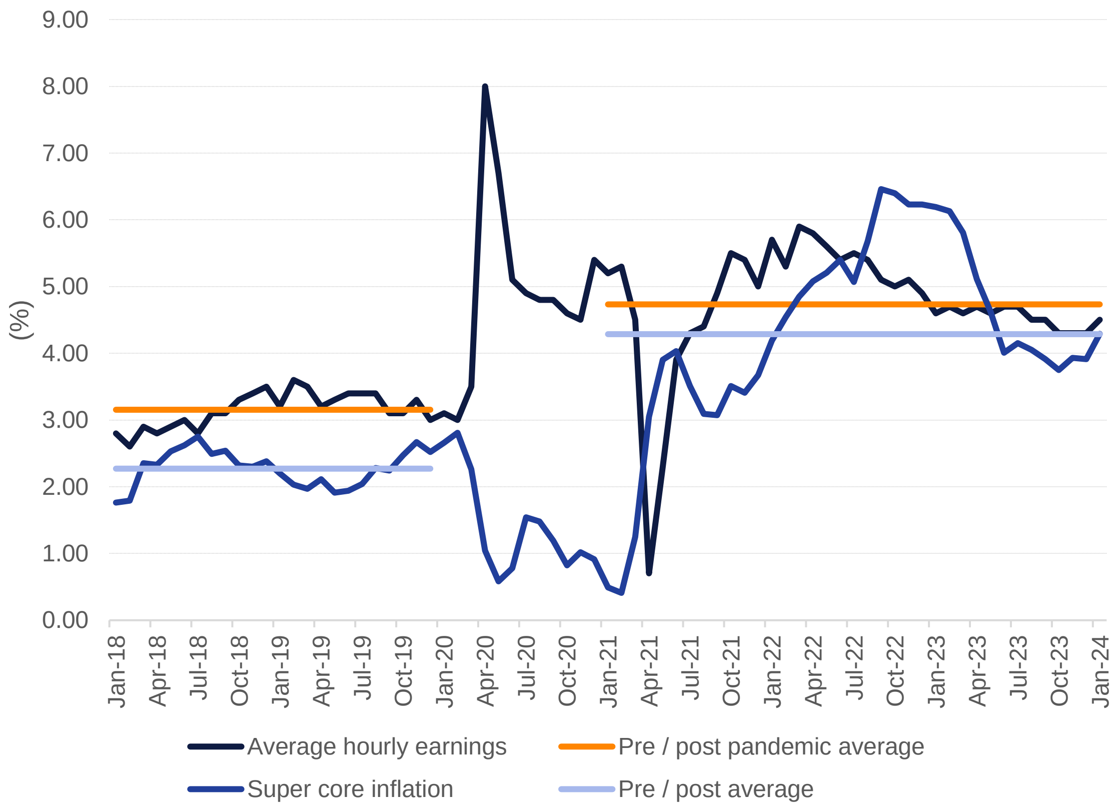
Source: Bloomberg, Emirates NBD Research

Inflation – where to from here?

Headline inflation in the right direction

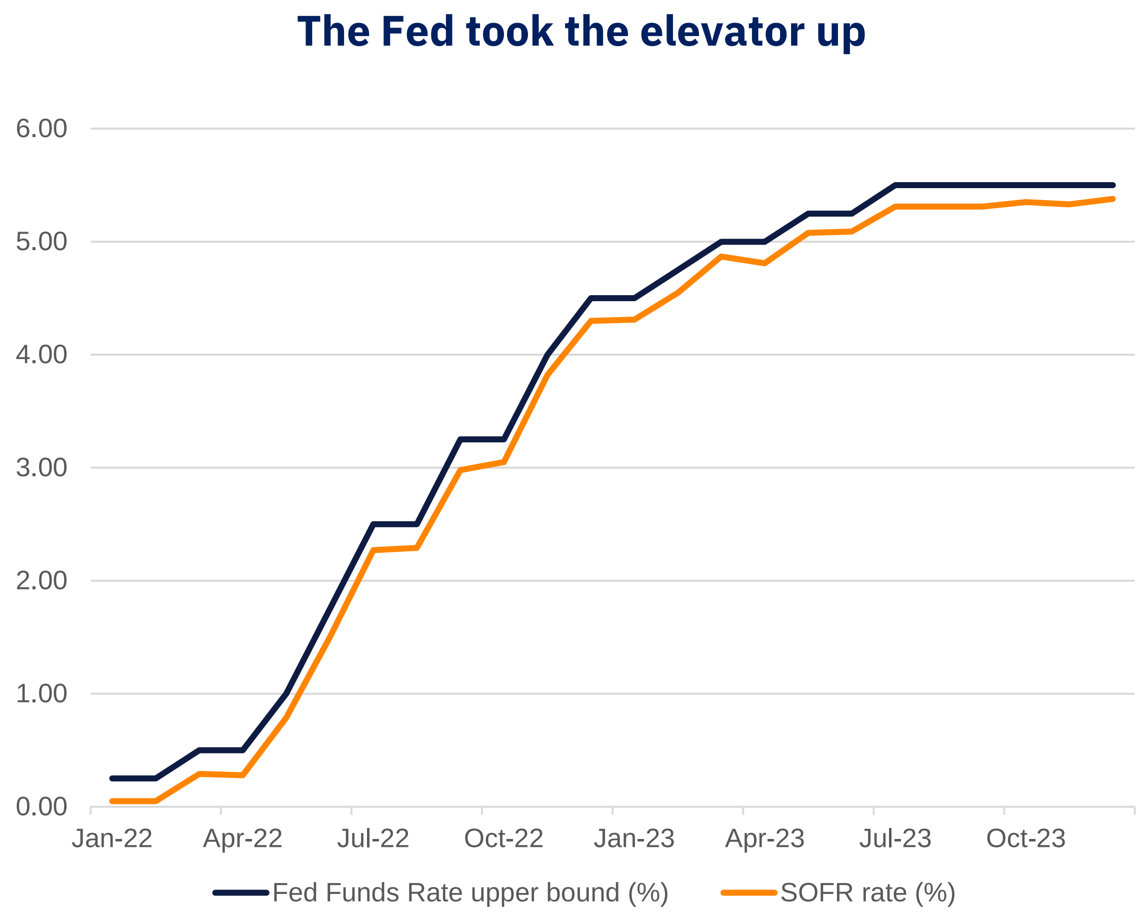


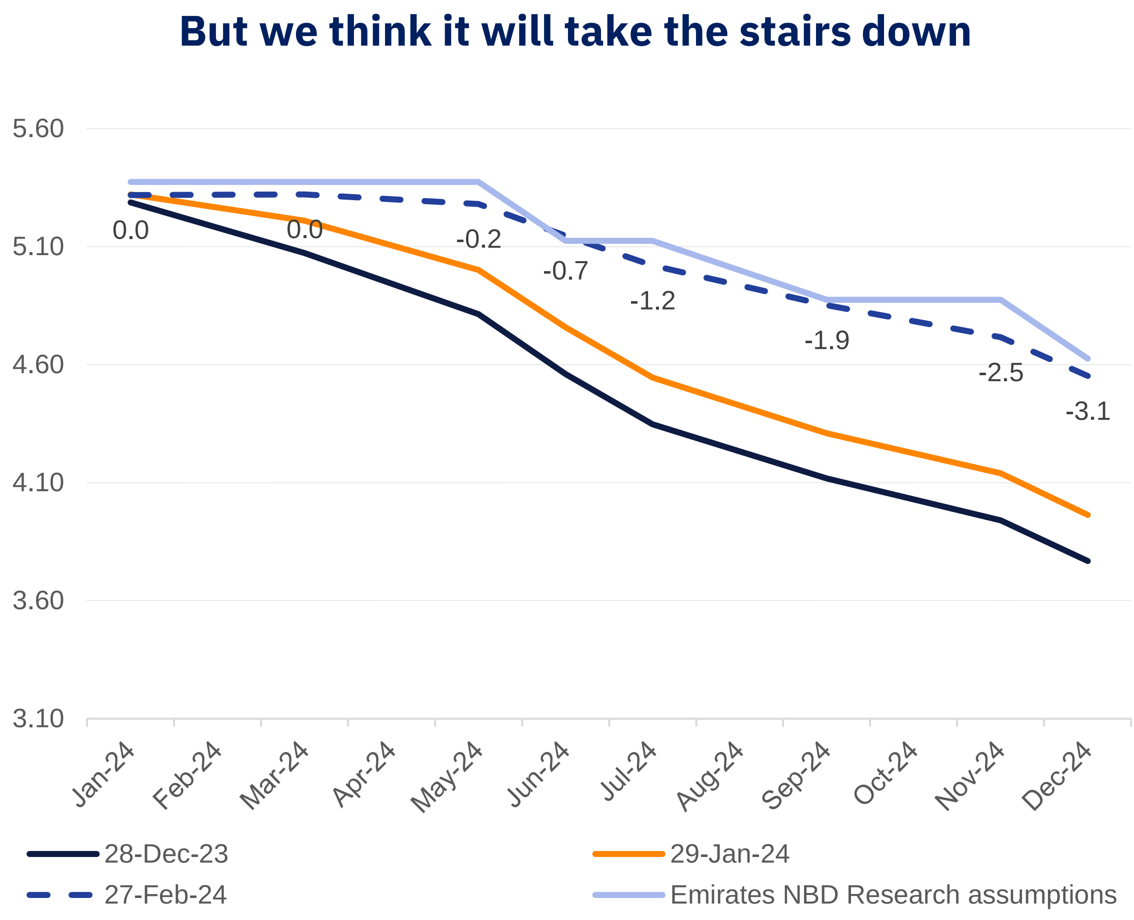
But toward a new inflation paradigm



Source: Bloomberg, Emirates NBD Research

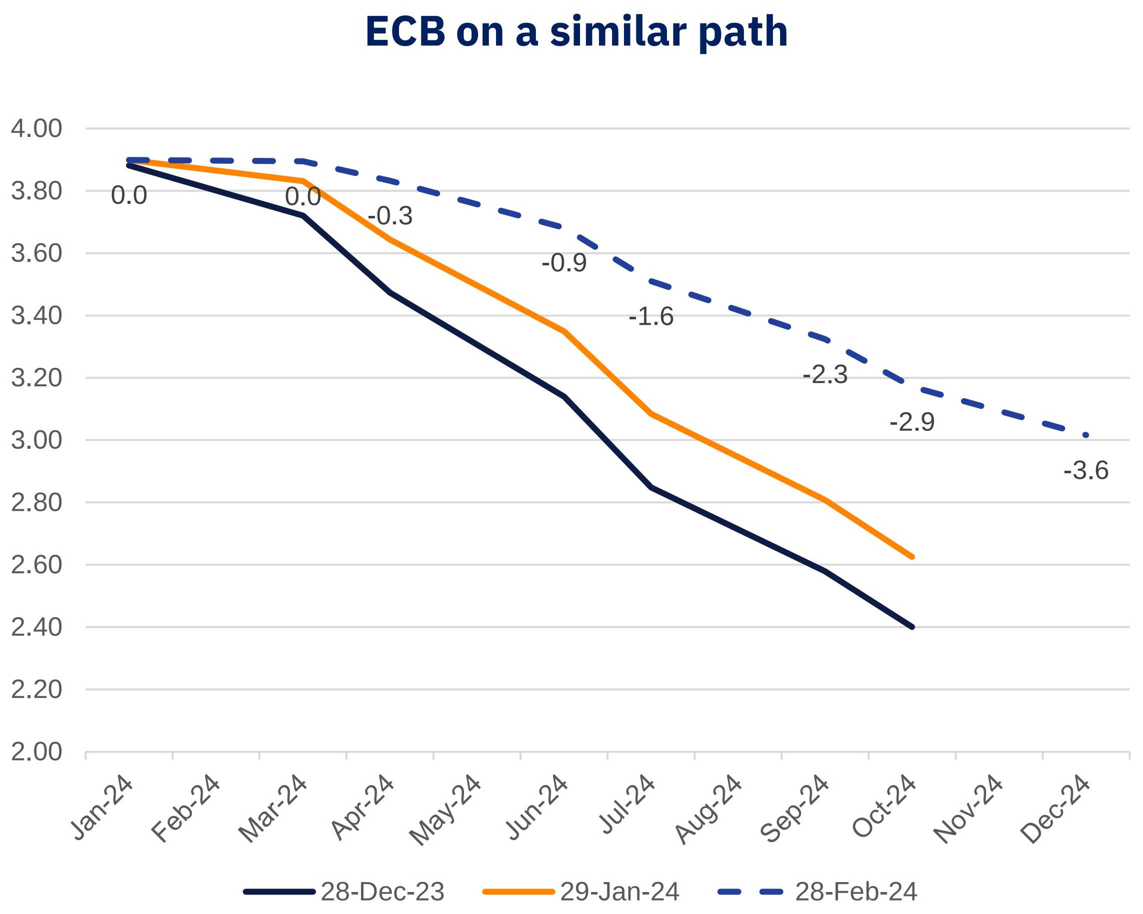
Pathway for central banks is lower

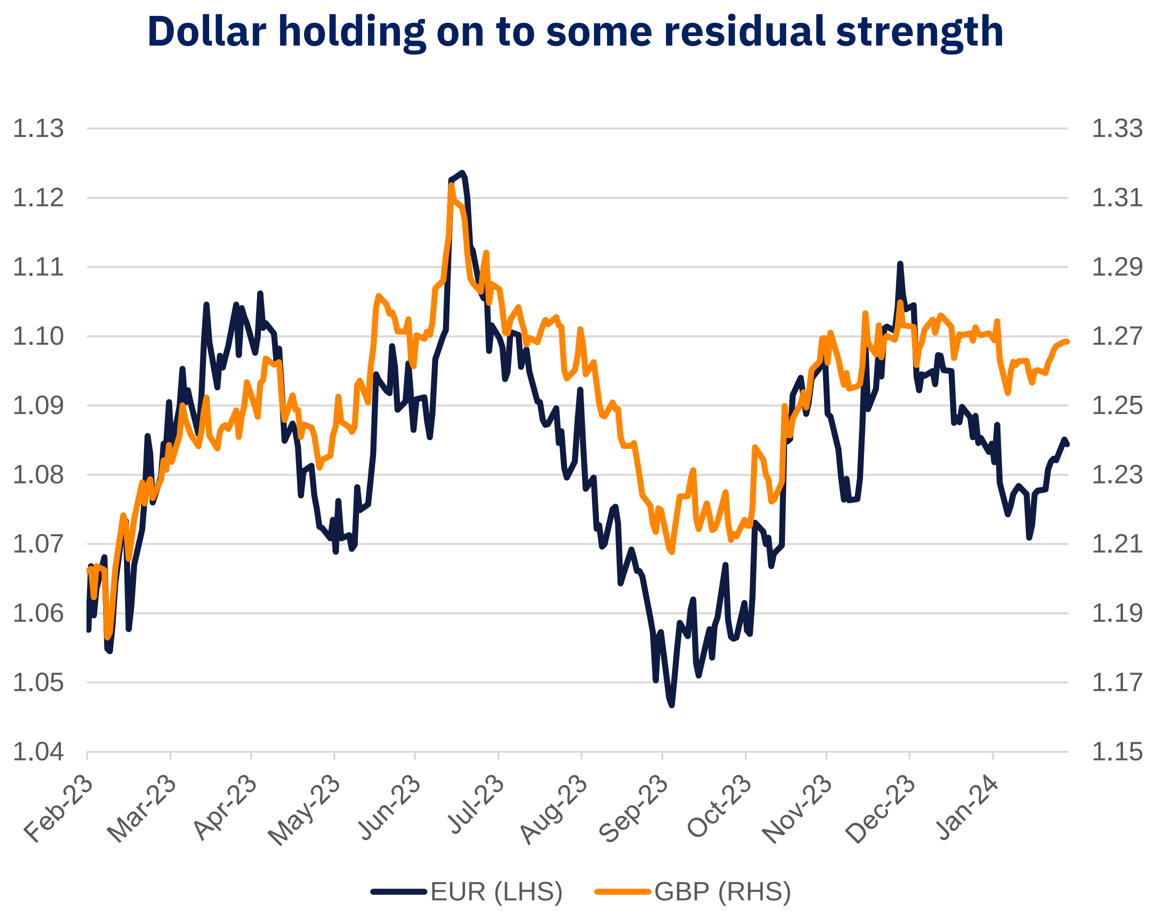




Source: Bloomberg, Emirates NBD Research

Timing of cuts will set the tone for currencies

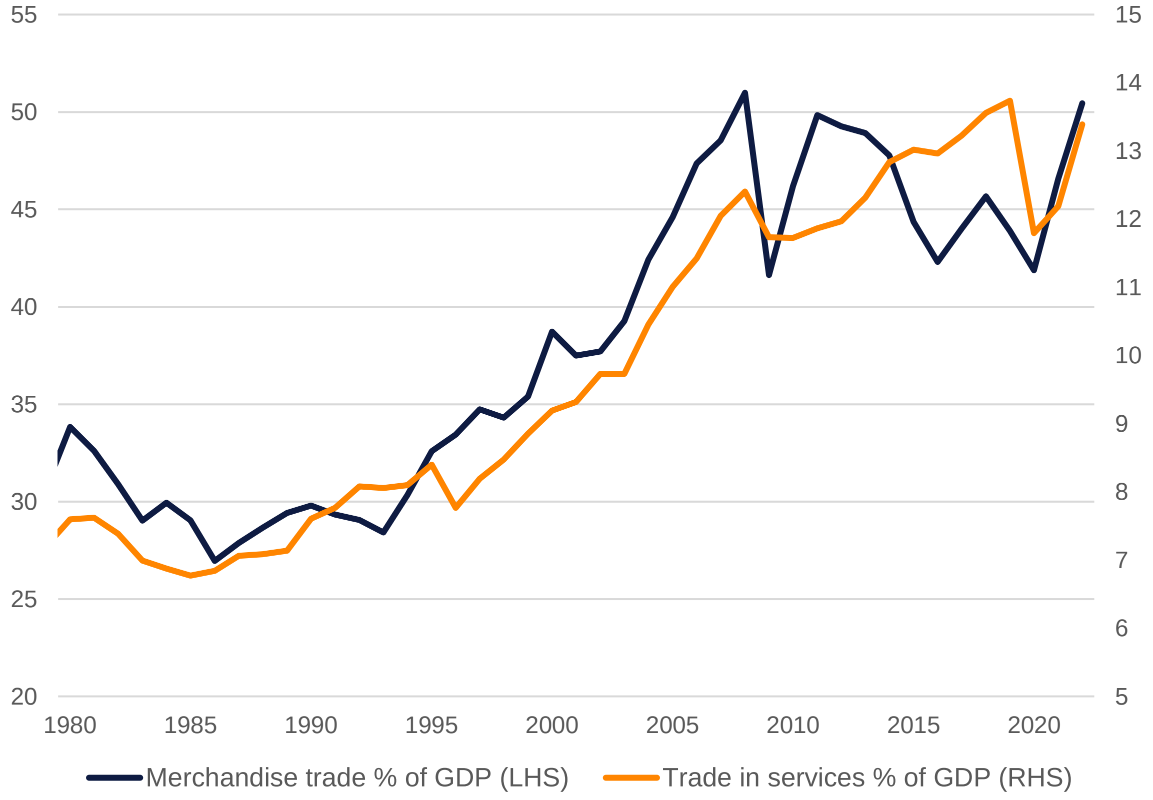




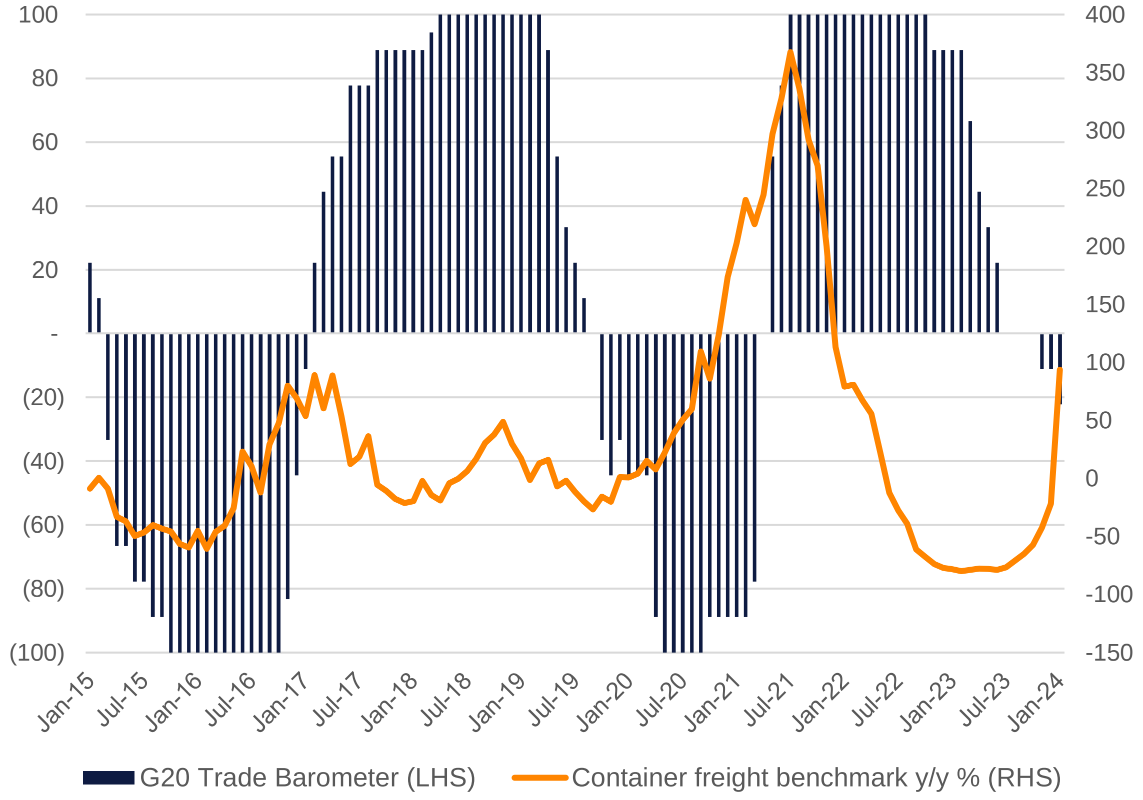
Source: Bloomberg, Emirates NBD Research

How does global trade fare in this environment

Trade as share of global GDP cooling



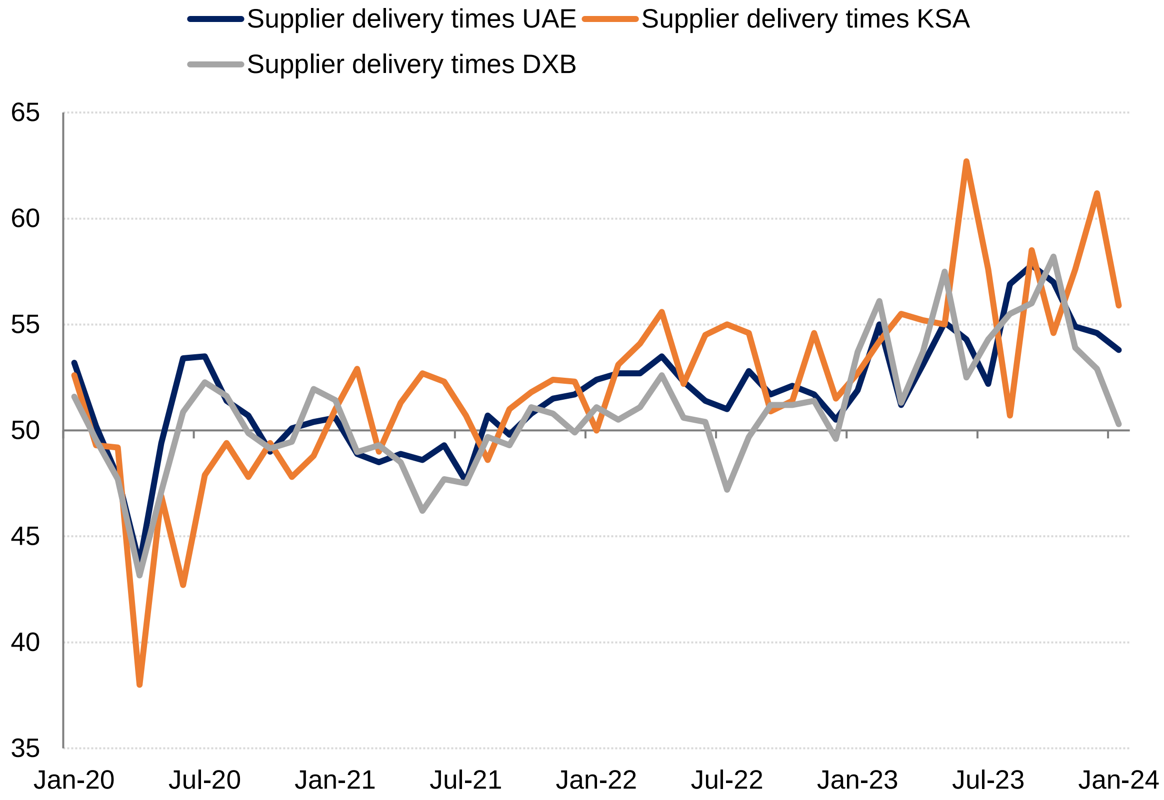
Major economies losing momentum



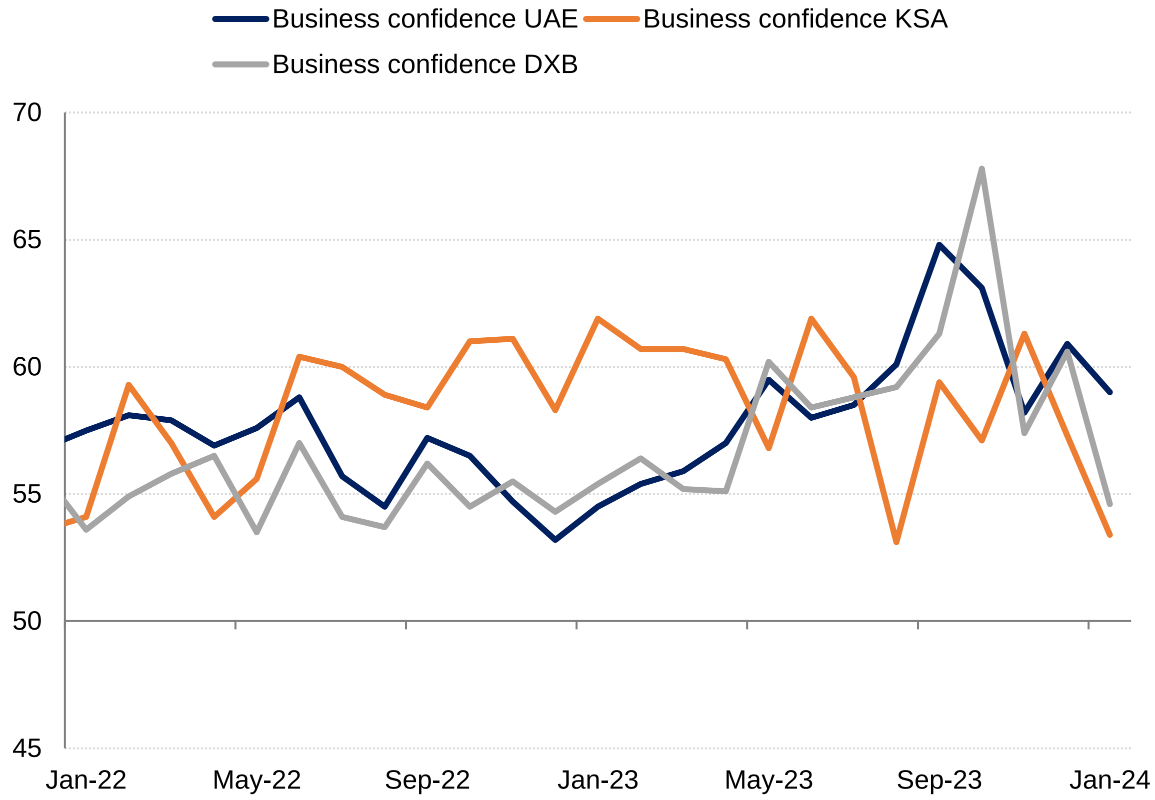
Source: Bloomberg, Emirates NBD Research

Red Sea disruptions starting to affect regional economies

Supplier delivery times lengthening for some firms



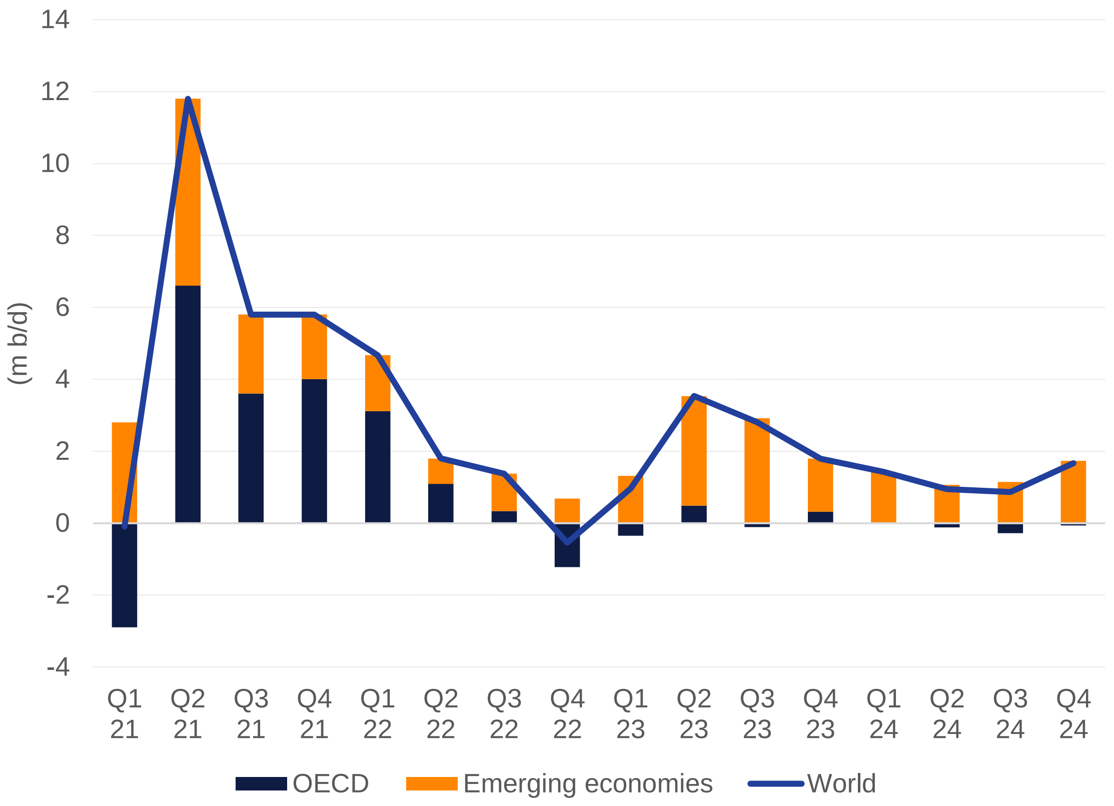
Business confidence dips



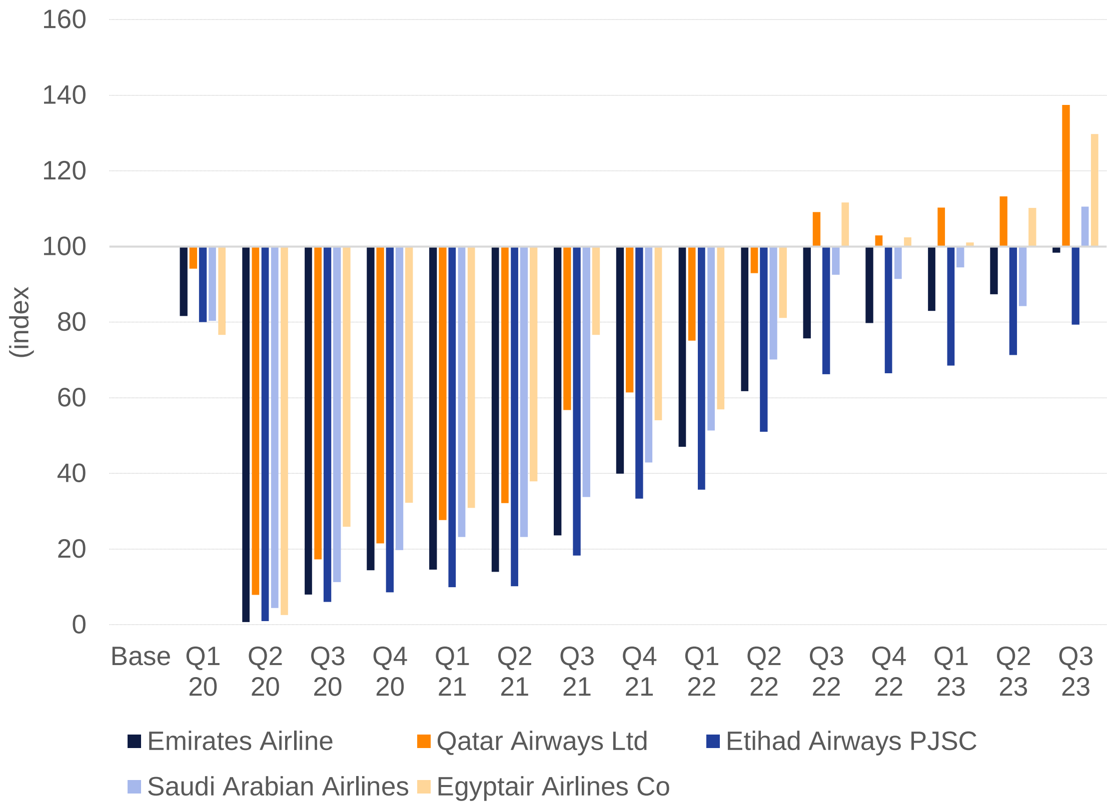
Source: Bloomberg, Emirates NBD Research

Oil to show a more balanced 2024

Consumption to slow but not collapse



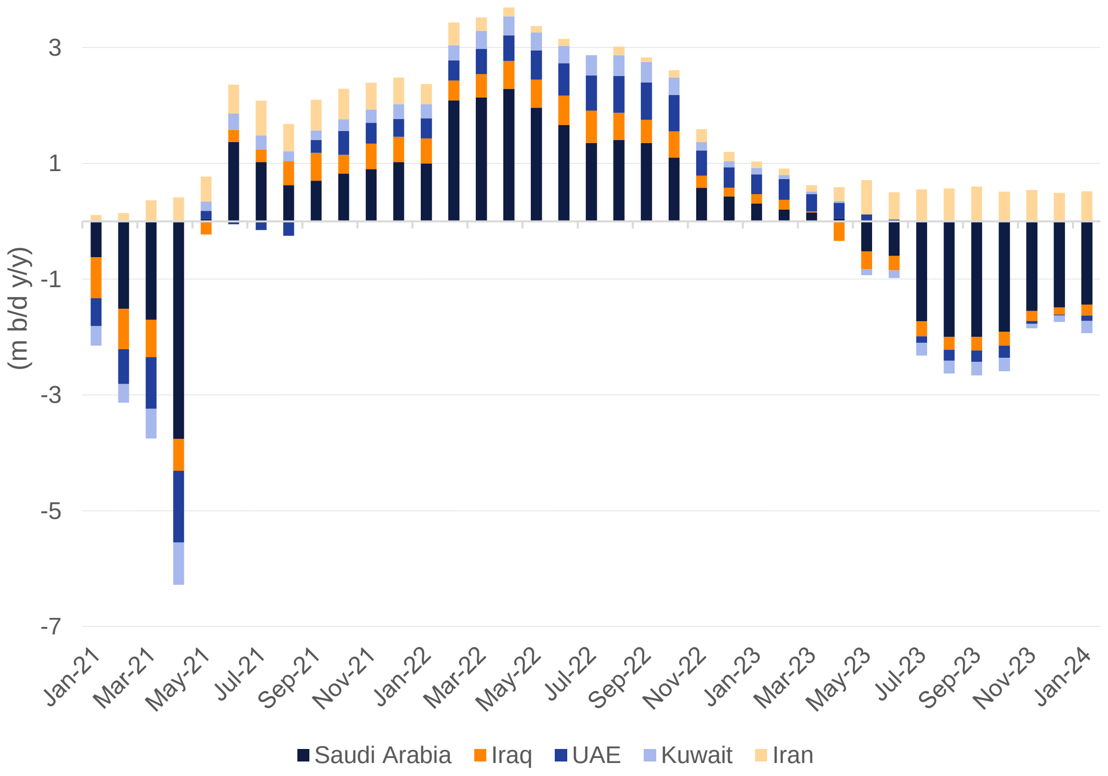
Incremental growth from jet demand now



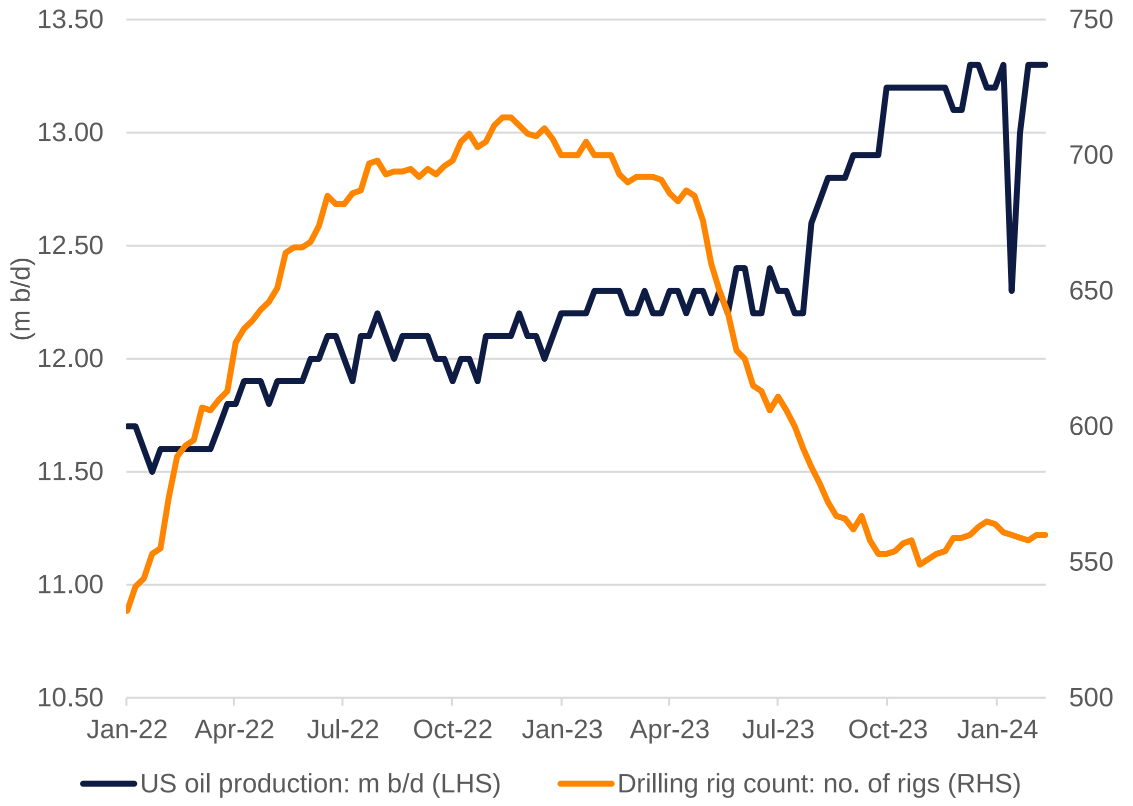
Source: Bloomberg, Emirates NBD Research

OPEC+ keeps intervening in market

OPEC strategy is running out of road



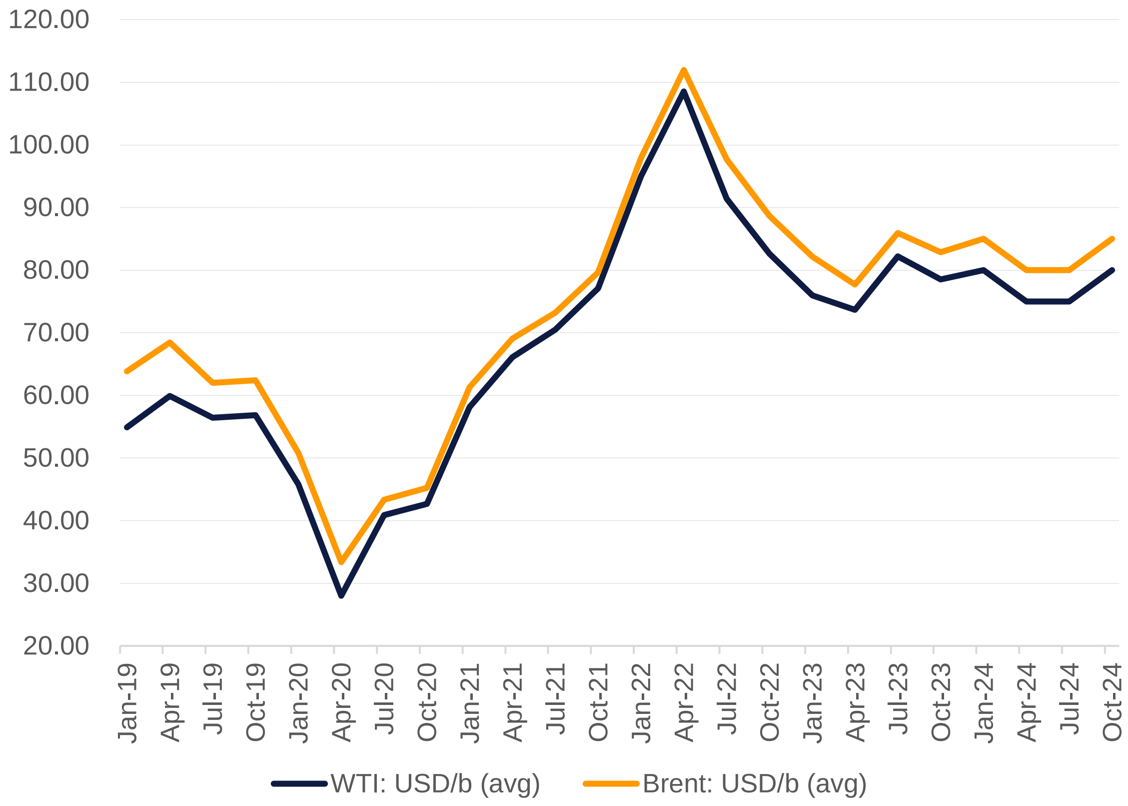
Surge in US production slowing down



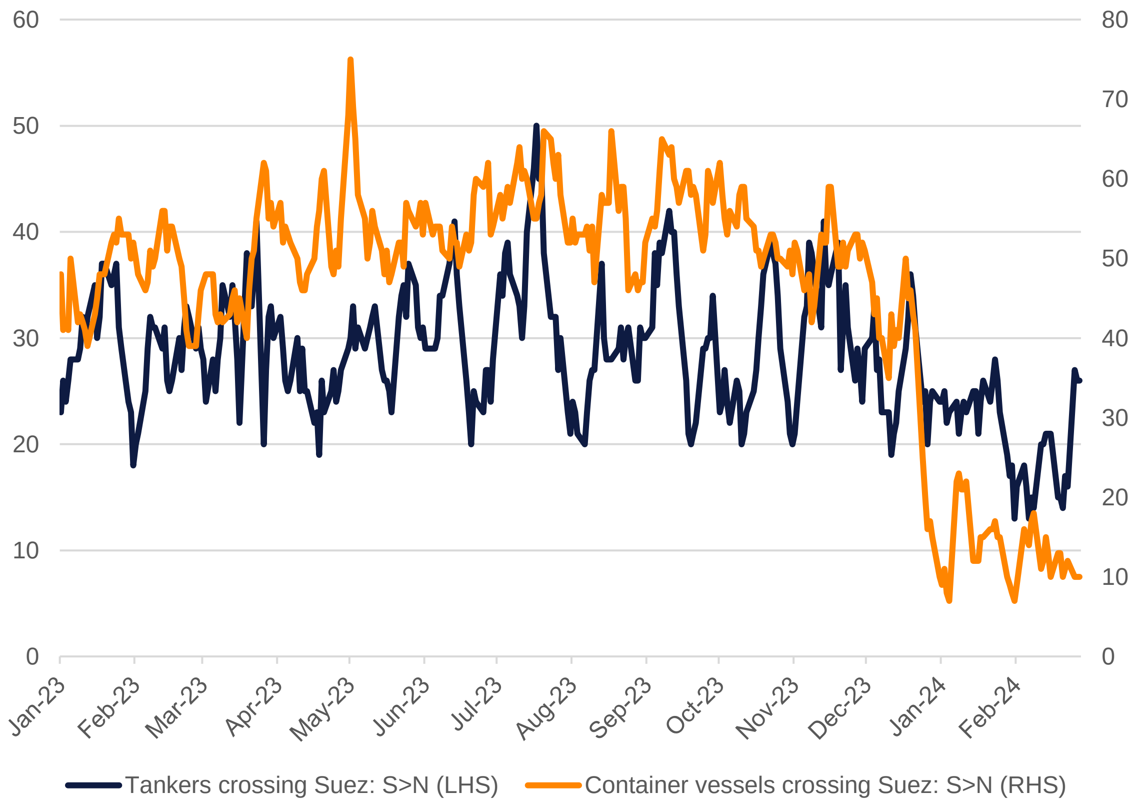
Source: Bloomberg, Emirates NBD Research

Oil markets search for direction amid risks

Flat trajectory for prices



Holding geopolitics at bay



Source: Bloomberg, Emirates NBD Research

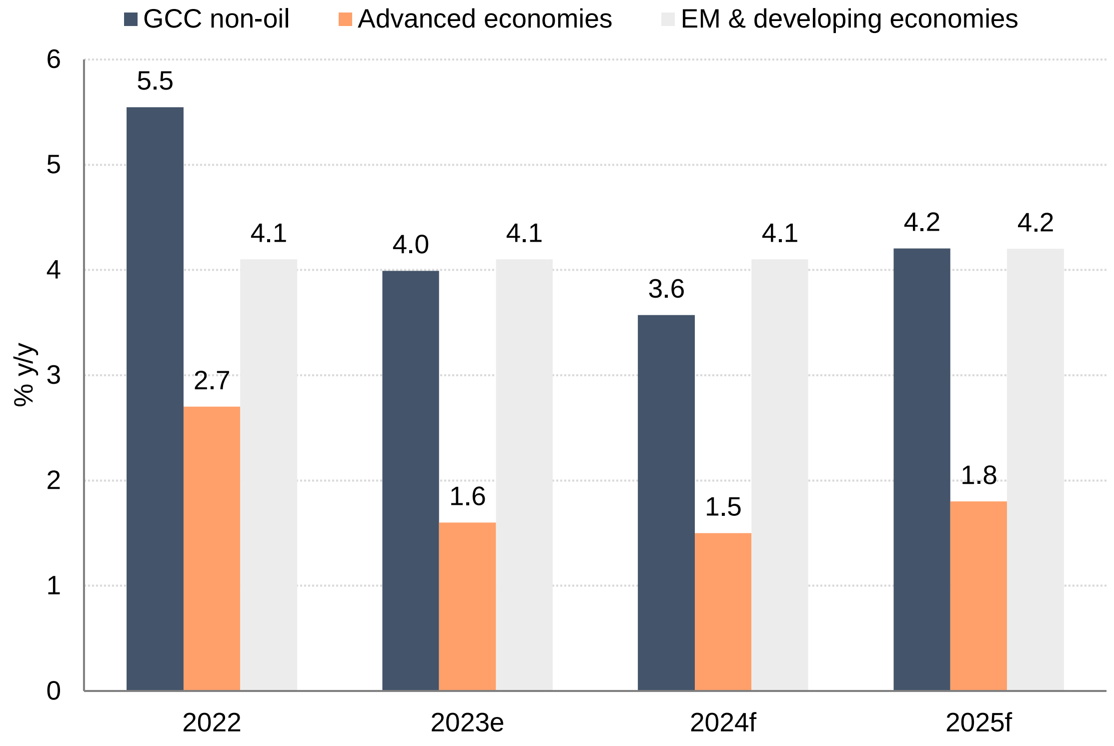
Emirates NBD 60

60 years **together**

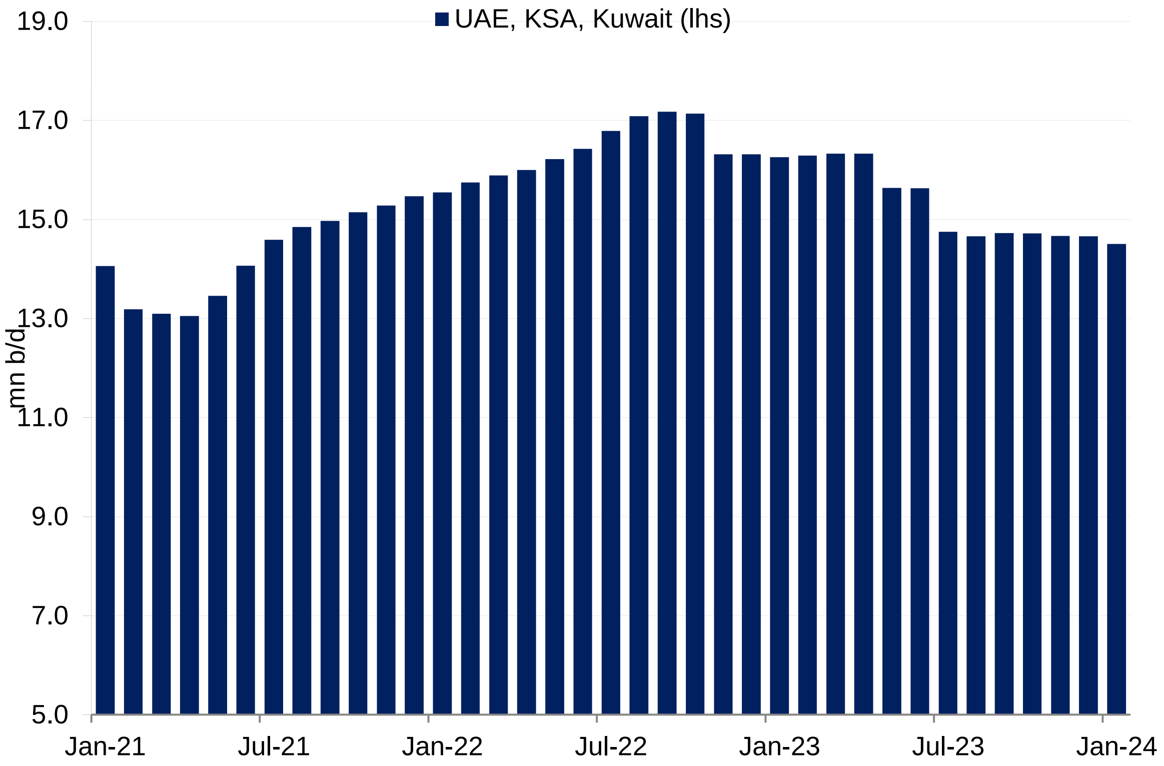
GCC Outlook

GCC: A relative outperformer

Non-oil sectors picking up the slack



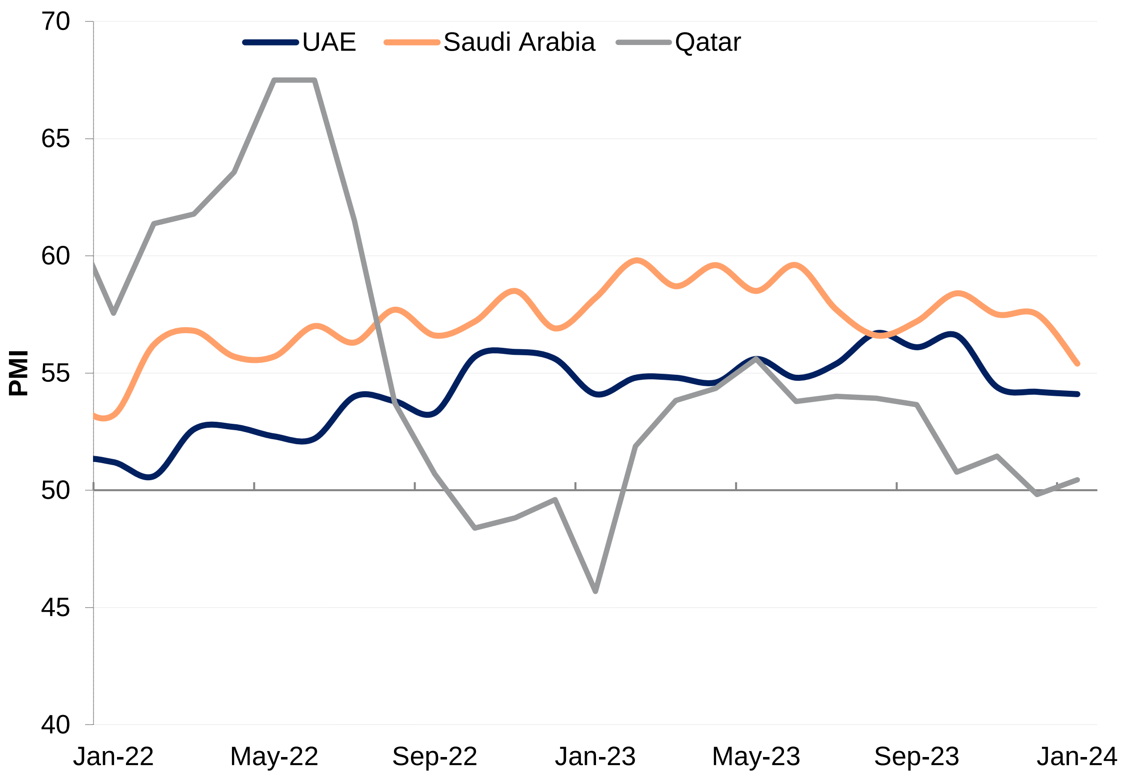
As oil and gas sector is a drag on growth



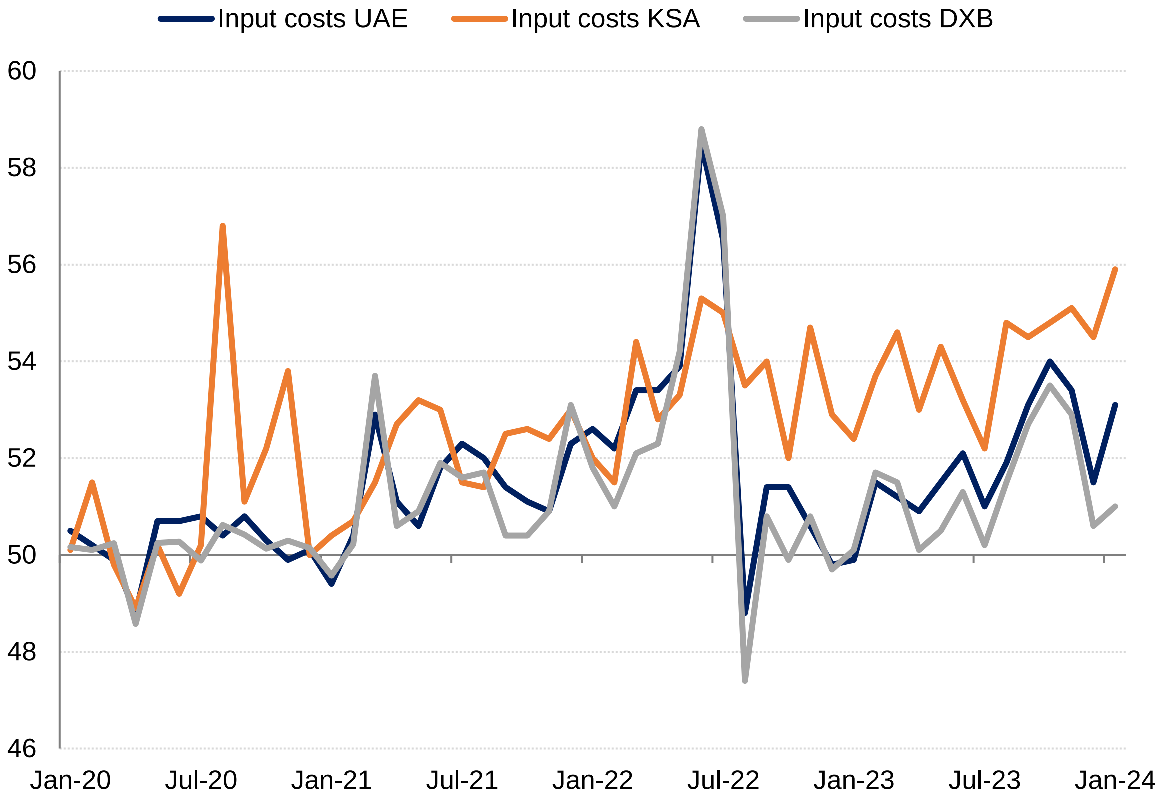
Source: Bloomberg, Emirates NBD Research

January PMI data shows softer activity growth

PMIs show improving business conditions



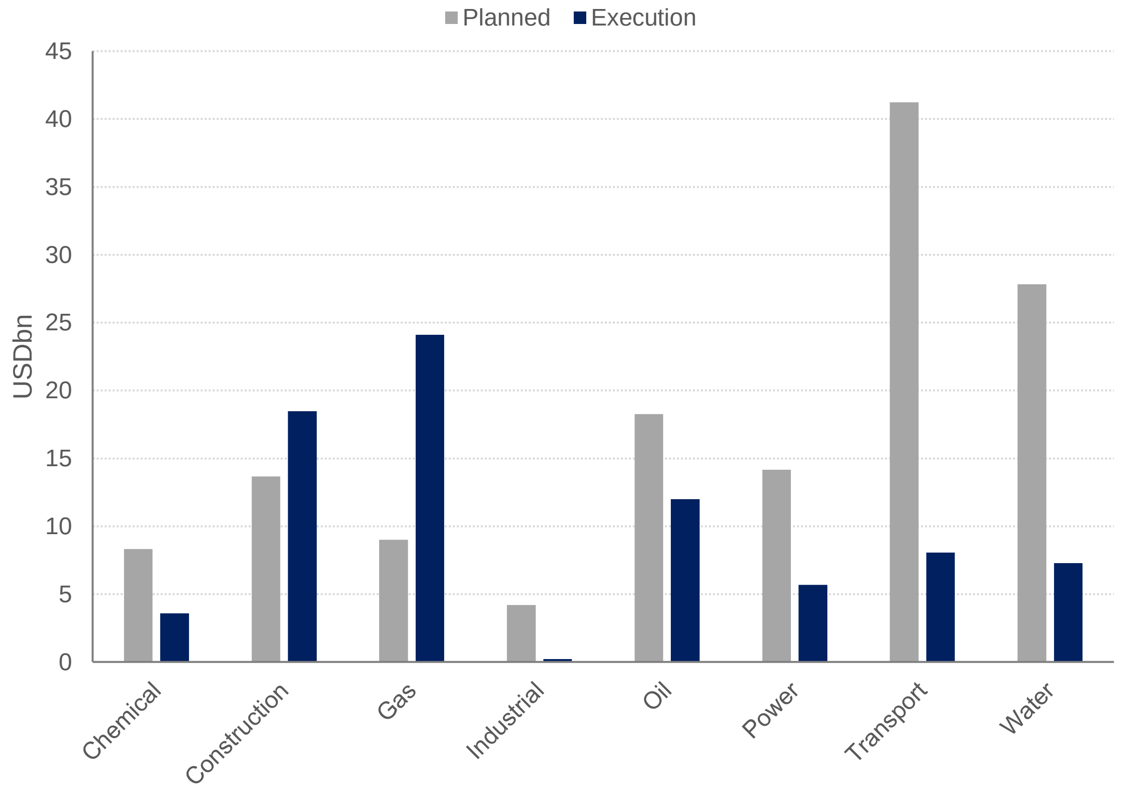
Input costs ticked up in January to varying degrees



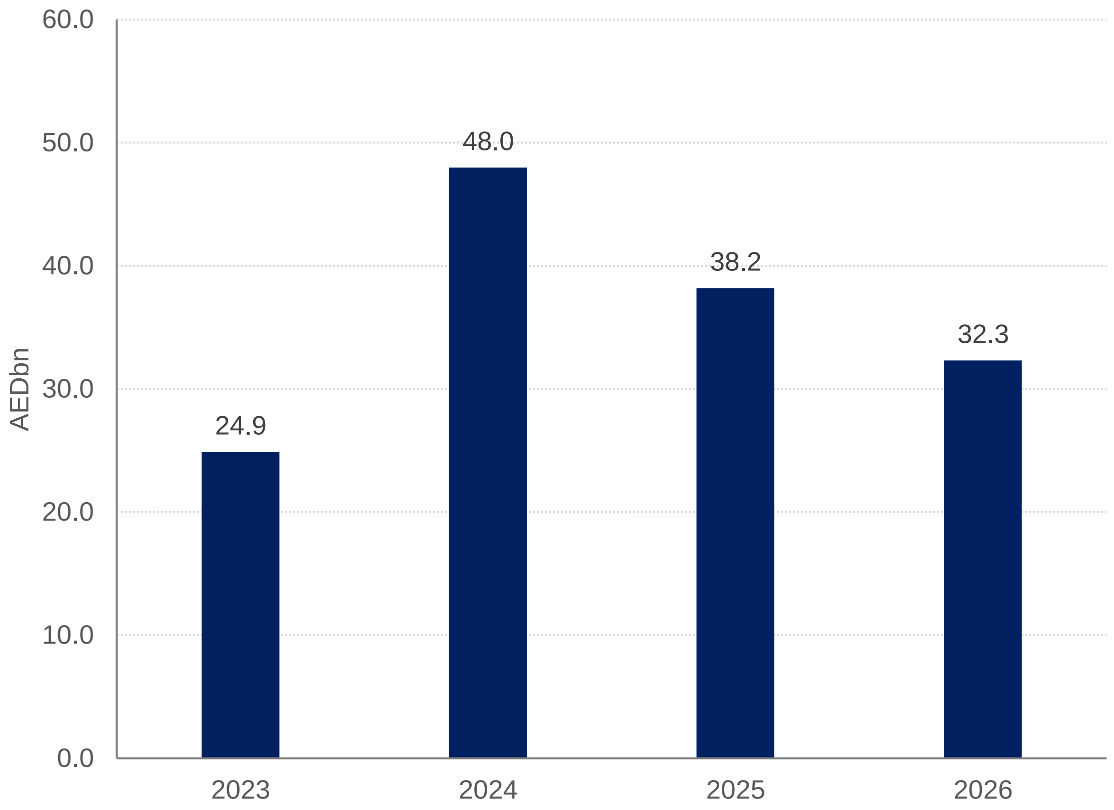
Source: Bloomberg, Emirates NBD Research

UAE government spending a key growth driver

Public sector investment to exceed USD 200bn through 2030



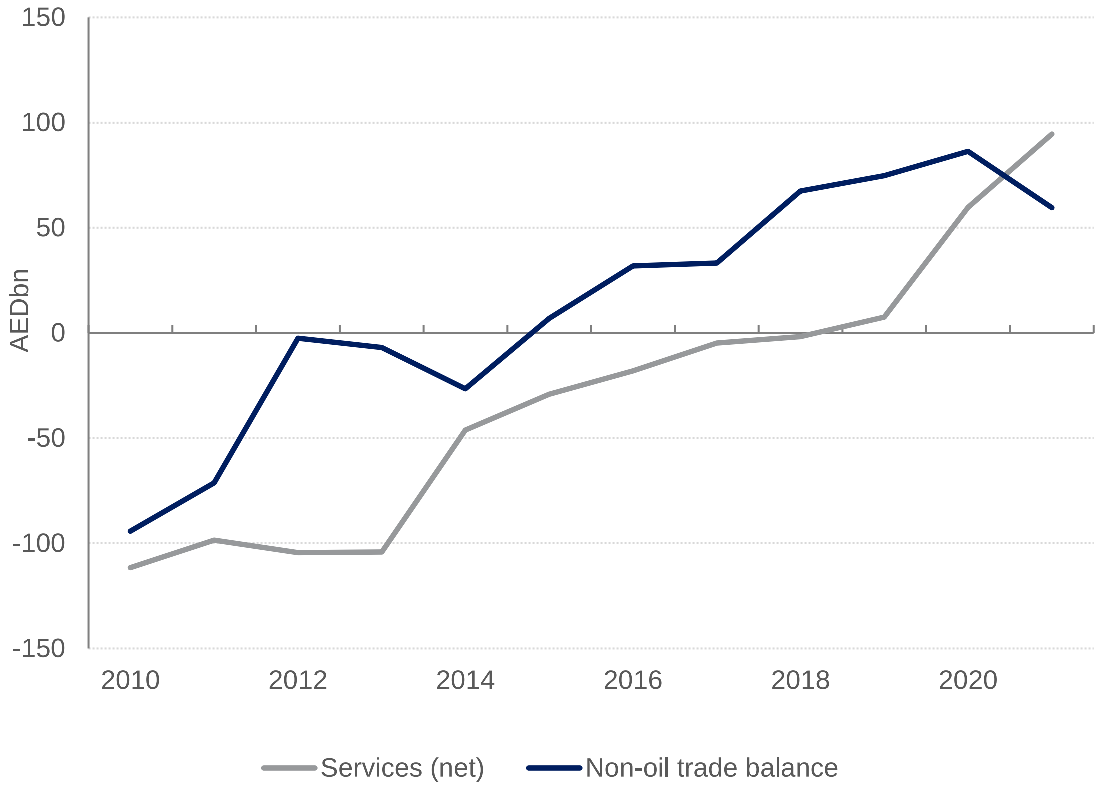
Estimated cash flow of government projects (at end 2023)



Source: MEED, Emirates NBD Research

Shifting regional sands: UAE seeks to reposition itself as a global hub

Growth in services receipts reflects economic diversification



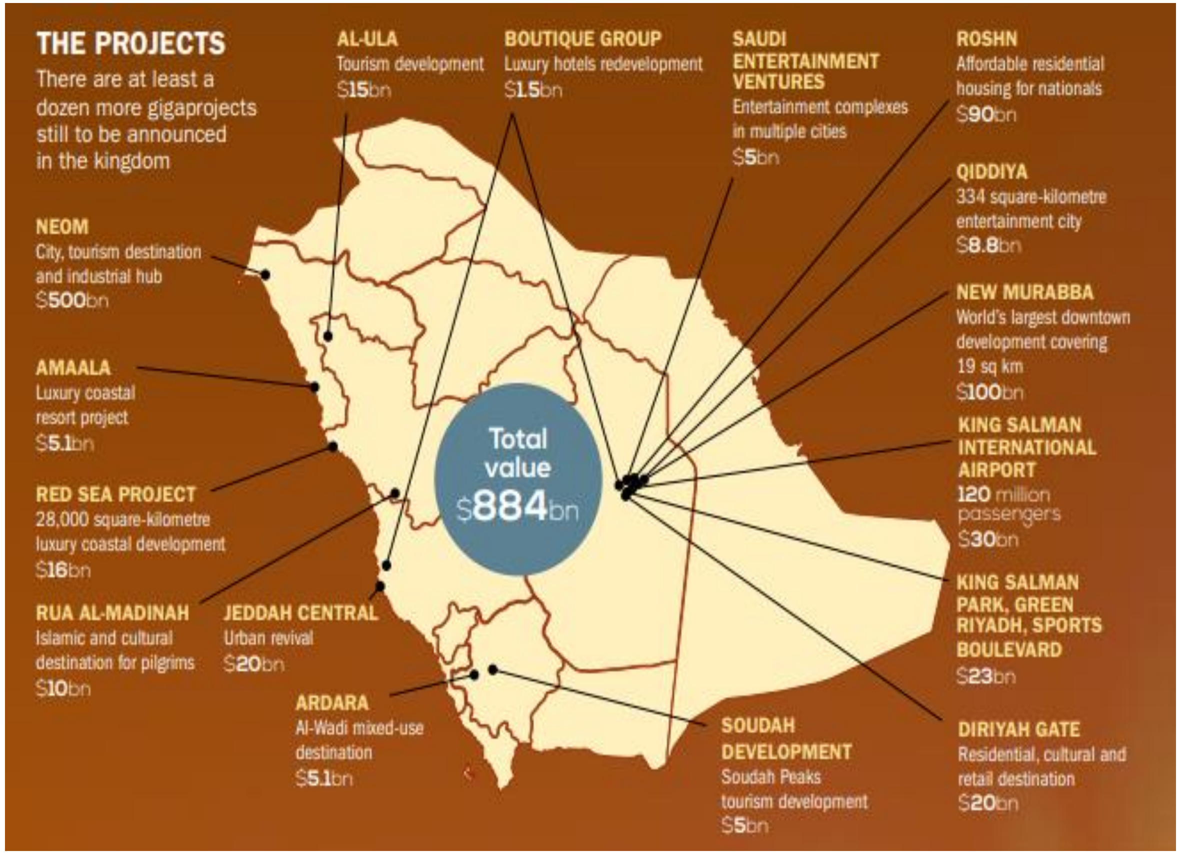
CEPAs build trade & market access outside GCC

	CEPA in force	CEPA under negotiation or awaiting ratification	Share of UAE exports (2022)	Share of UAE imports (2022)
Australia		X	0.4%	0.8%
Cambodia		X	0.0%	0.1%
Chile		X	0.0%	0.1%
Colombia		X	0.0%	0.1%
Congo-Brazzaville		X	0.2%	0.6%
Costa Rica		X	0.0%	0.0%
Georgia		X	0.1%	0.0%
India	X		14.0%	8.7%
Indonesia	X		0.8%	0.8%
Israel	X		0.4%	0.2%
Kenya		X	0.5%	0.1%
South Korea		X	3.5%	1.3%
Malaysia		X	1.3%	1.1%
Pakistan		X	2.2%	0.5%
Philippines		X	0.4%	0.1%
Serbia		X	0.0%	0.0%
Thailand		X	3.9%	1.3%
Turkey	X		1.3%	2.8%
Ukraine		X	0.0%	0.2%
Uzbekistan		X	0.1%	0.0%
Vietnam		X	0.2%	2.3%
Total			29.5%	21.1%

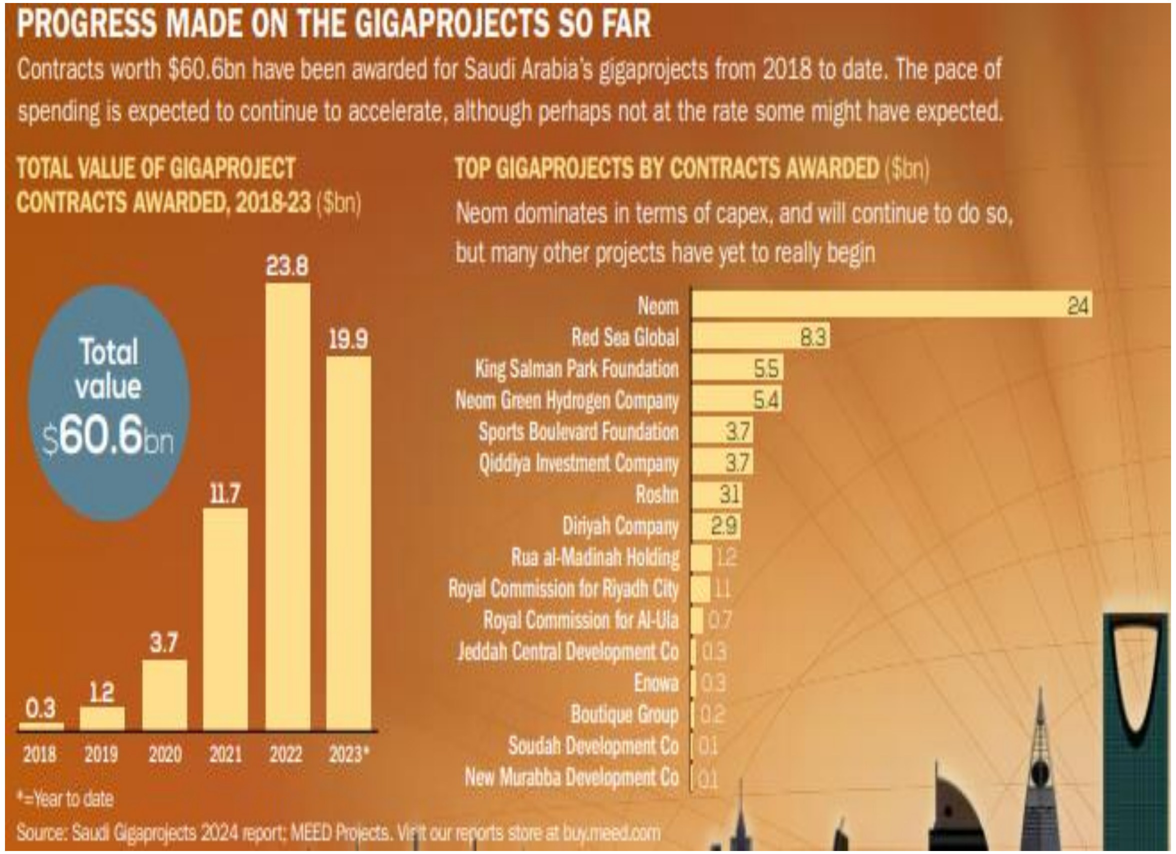
Source: Bloomberg, Emirates NBD Research

Saudi Arabia: A long runway ahead

USD 884bn in planned spending



Only USD 61bn worth of contracts awarded



Source: MEED, Emirates NBD Research

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