Weekly Economic Update

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Recent Macroeconomic Developments

GLOBAL

❖ Optimism for 2014 as global economic outlook improves

• The World Bank has upgraded its global economic growth forecast for 2014 due to encouraging signs that the developed countries are turning the corner, as aggregate economic growth in those countries is projected to accelerate at 2.2%, up from 1.3% last year, due to the fizzling out of the growth-dragging effects of fiscal consolidation and policy uncertainty.

• Recovery in the advanced economies is led by the US, with GDP projected to grow by 2.8% this year, compared with 1.8% last year. In addition, after two years of contraction, economic activity in the Eurozone is expected to expand at 1.1% this year before averaging 1.5% in the next two years. Improved economic performance in the advanced countries will undoubtedly strengthen their external demand, helping to boost economic growth in emerging and developing countries above 5% in 2014.

• As a result, global real GDP is expected to expand by 3.2% this year, compared with 2.4% last year, and is projected to stabilise at around 3.5% in 2016. The global economic prospects are, however, sensitive to a number of downside risks, including the tapering of quantitative easing programme in the US, which began this month; the structural shifts taking place in emerging economies, especially in China; and growing risks of deflation in advanced countries, especially in the single euro currency area, which could undermine the economic recovery.
As January 17, 2014 (US$) | Current | Week Ago | Weekly Change
---|---|---|---
Brent Oil (barrel) | 106.48 | 107.25 | -0.72
Gold (ounce) | 1253.33 | 1246.7 | 0.53
Silver (ounce) | 20.26 | 20.11 | 0.75
Copper (pound) | 3.33 | 3.30 | 0.91
Aluminium (kilo) | 1.75 | 1.71 | 2.34

Source: Thomson Reuters
Weekly Economic Update

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Current

(17 Jan 2014) | Week Ago | Weekly Change
--- | --- | ---
International | $1 | $1 | (%)
Euro | 0.739 | 0.732 | 0.956
GBP | 0.609 | 0.607 | 0.329
Yen | 104.290 | 104.120 | 0.163
CNY | 6.050 | 6.052 | -0.033
INR | 61.540 | 61.903 | -0.586
CHF | 0.910 | 0.902 | 0.887
GCC | | | |
AED | 3.670 | 3.670 | 0.000
BHD | 0.380 | 0.380 | 0.000
KWD | 0.282 | 0.282 | 0.000
OMR | 0.390 | 0.390 | 0.000
QAR | 3.640 | 3.640 | 0.000
SAR | 3.750 | 3.750 | 0.000

Source: Thomson Reuters

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Stock Markets

DowJones

NASDAQ

S&P500

CAC40

FTSE100

Nikkei225

Source: Thomson Reuters

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Abu Dhabi

Doha

Dubai

Kuwait

Muscat

Saudi

Source: Zawya

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# Stock Markets

<table>
<thead>
<tr>
<th>Stock Exchange</th>
<th>Current</th>
<th>A Week Ago</th>
<th>Weekly Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>(17 Jan)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dow Jones (US)</td>
<td>16,459</td>
<td>16,437</td>
<td>0.13</td>
</tr>
<tr>
<td>Nasdaq (US)</td>
<td>4,198</td>
<td>4,175</td>
<td>0.55</td>
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<tr>
<td>S&amp;P500 (US)</td>
<td>1,839</td>
<td>1,842</td>
<td>-0.20</td>
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<tr>
<td>CAC40 (FR)</td>
<td>4,328</td>
<td>4,251</td>
<td>1.81</td>
</tr>
<tr>
<td>FTSE100 (UK)</td>
<td>6,829</td>
<td>6,740</td>
<td>1.33</td>
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<tr>
<td>Nikkei225 (JP)</td>
<td>15,734</td>
<td>15,912</td>
<td>-1.12</td>
</tr>
<tr>
<td>Abu Dhabi</td>
<td>4,511</td>
<td>4,424</td>
<td>1.97</td>
</tr>
<tr>
<td>Bahrain</td>
<td>1,268</td>
<td>1,264</td>
<td>0.31</td>
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<tr>
<td>Doha</td>
<td>11,091</td>
<td>10,873</td>
<td>2.00</td>
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<tr>
<td>Dubai</td>
<td>3,613</td>
<td>3,494</td>
<td>3.40</td>
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<tr>
<td>Kuwait</td>
<td>7,665</td>
<td>7,652</td>
<td>0.17</td>
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<tr>
<td>Muscat</td>
<td>7,140</td>
<td>7,156</td>
<td>-0.22</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>8,753</td>
<td>8,678</td>
<td>0.87</td>
</tr>
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Source: Thompson Reuters and Zawya
## Gulf Projects

<table>
<thead>
<tr>
<th></th>
<th>Projects planned or under way</th>
<th>Projects planned or under way</th>
<th>Change on week (%)</th>
<th>Projects planned or under way</th>
<th>Change on year (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14-Jan-14 ($m)</td>
<td>07-Jan-14 ($m)</td>
<td></td>
<td>15-Jan-13 ($m)</td>
<td></td>
</tr>
<tr>
<td>Bahrain</td>
<td>61,571</td>
<td>61,571</td>
<td>0.00</td>
<td>64,295</td>
<td>-4.24</td>
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<tr>
<td>Kuwait</td>
<td>196,964</td>
<td>196,689</td>
<td>0.14</td>
<td>205,149</td>
<td>-3.99</td>
</tr>
<tr>
<td>Oman</td>
<td>146,392</td>
<td>146,377</td>
<td>0.01</td>
<td>123,444</td>
<td>18.59</td>
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<tr>
<td>Qatar</td>
<td>276,324</td>
<td>278,475</td>
<td>-0.77</td>
<td>222,779</td>
<td>24.04</td>
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<tr>
<td>Saudi Arabia</td>
<td>1,050,476</td>
<td>1,049,861</td>
<td>0.06</td>
<td>783,496</td>
<td>34.08</td>
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<tr>
<td>UAE</td>
<td>712,425</td>
<td>714,924</td>
<td>-0.35</td>
<td>647,051</td>
<td>10.10</td>
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<tr>
<td>GCC</td>
<td>2,444,152</td>
<td>2,447,897</td>
<td>-0.15</td>
<td>2,046,214</td>
<td>19.45</td>
</tr>
<tr>
<td>Iran</td>
<td>227,844</td>
<td>228,020</td>
<td>-0.08</td>
<td>279,902</td>
<td>-18.60</td>
</tr>
<tr>
<td>Iraq</td>
<td>518,837</td>
<td>513,882</td>
<td>0.96</td>
<td>282,142</td>
<td>83.89</td>
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<tr>
<td>Gulf Total</td>
<td>3,190,833</td>
<td>3,189,799</td>
<td>0.03</td>
<td>2,615,646</td>
<td>21.99</td>
</tr>
</tbody>
</table>

Source: MEED
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