

[WEEKLY ECONOMIC COMMENTARY]

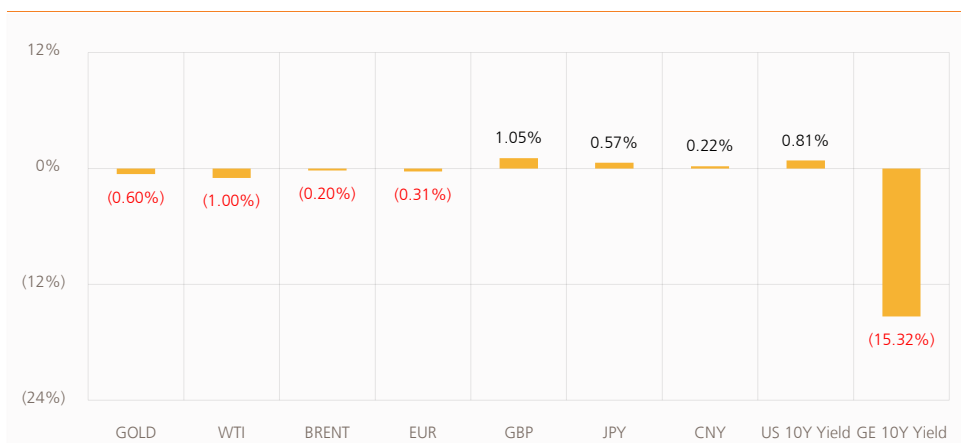
WEEKLY ANALYSIS FOR THE MOST CRITICAL ECONOMIC AND FINANCIAL DEVELOPMENTS

MACRO & MARKETS COMMENTARY

- » The U.S senate passed the long-awaited tax reform bill, lowering taxes for American business from 35% to 20%. The new tax bill is aiming at creating faster sustained growth and higher wages. Investors in market were so excited about the prospects of lower corporate Tax rate than about the risk of greater government deficit. Dollar spot index (DXY - the index that tracks the performance of the U.S. dollar against major world currencies) rose for the first time (on a weekly basis) in four weeks, increasing by 0.11% or 0.103 points closing its weekly trading session at 92.89 point on Friday the 01st of December, compared to 92.78 at last week's close.
- » In the Eurozone the shared currency fell during the week amid conflicting reports about the UK and European union having agreed on the final Brexit bill. The EUR/USD fell during the week, closing its weekly trading session by 0.31% (or 37 pips) to \$1.1896 per Euro on Friday, the 01st of December 2017. GBP/USD rose by the most in seven weeks, increasing by 1.05% [or 140 pips] and closing its weekly trading session at \$1.3477 per GBP on Friday, the 01st of December 2017 [the highest since September]
- » OPEC and Russia agreed last week to extend production cut [the initial output cut of 1.8 million barrel of oil per was adopted in 2016 by OPEC & Russia] for additional nine months until December 2018. However, Crude oil ended the week lower (on a weekly basis) as traders priced in the possibility of "not extending" the agreement at the beginning of the week.

WEEKLY CHANGES AGAINST THE USD

MAJOR MARKETS



SOURCE : BLOOMBERG | BANK ALBILAD TREASURY DIVISION

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Markit Manufacturing PMI: An indicator of the economic health of the manufacturing sector conducted by Markit. Variables such as output, new orders, employment, and prices across key sectors are closely watched and tracked

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- » West Texas Intermediate future contracts (January 2018 Delivery) fell by 1% [or \$0.59] per barrel to \$58.36 per barrel. The international oil benchmark (Brent crude future contracts for January 2018 Delivery) fell by 0.20% W/W [or \$0.13] per barrel, closing its weekly trading session at \$63.73 on Friday, the 1st of December 2017.
- » U.S Treasuries swung between gains and losses during the week. The decline at the beginning of the week reversed on Friday after reports showed that the former national security advisor has pledged guilty to making false statements to FBI. The U.S. Yield on the benchmark 10 – year Treasury the week rose by 1.90 basis points (bps) or 0.81% over the week, closing its weekly trading session at 2.362% on the 01st of December 2017.

ECONOMIC DATA & EVENTS FROM THE LAST WEEK.

U.S.A & CANADA

The American economy expanded 3.3% Q/Q annualized rate in Q3 (second estimate) following 3% Q/Q previously estimated. Chicago purchasing manager index fell to 63.9 in November from 66.2 in October. The Canadian economy expanded 1.7% Q/Q annualized rate in Q3 2017 following the revised down reading to 4.3% Q/Q in the previous quarter. Economists expected 1.6% Q/Q growth rate. Manufacturing PMI inched up to 54.4 in November from 54.3 in October.

UK & JAPAN

Mortgage approvals in the United Kingdom fell below expected to 64.6K in October compared to the revised down reading to 66.1K in September. Manufacturing PMI unexpectedly rose to 58.2 in November from 56.6 in October (revised up from 56.3).

Industrial production in Japan increased 0.5% M/M in October preliminary estimate following 1% M/M decline registered in September. CPI inflation decelerated to 0.2% Y/Y in October as expected from 0.7% Y/Y in September.

EUROZONE

Unemployment rate fell slightly to 8.8% in October compared to 8.9% in September. CPI (estimate) rose 1.5% Y/Y in November following the revised up reading to 1.4% Y/Y in October and compared to 1.6% Y/Y expected. Consumer confidence index was confirmed at 0.1 in November final estimate. Manufacturing PMI was unexpectedly revised up to 60.1 in November final estimate from 60 in October. Inflation in Germany accelerated to 1.7% Y/Y in November preliminary estimate from 1.6% Y/Y in October. Manufacturing PMI was confirmed at 62.5 in November final estimate.

The French economy expanded 0.5% Q/Q in Q3 2017 preliminary estimate, similarly to Q2. In November, inflation came in as expected at 1.2% Y/Y following 1.1% Y/Y in October. Manufacturing PMI was revised up to 57.7 in November final estimate from 57.5 previously estimated.

Italian GDP growth was revised down to 1.7% Y/Y in Q3 2017 final estimate from 1.8% Y/Y previously estimated.

In Spain, GDP growth was confirmed at 0.8% Q/Q in Q3 2017 final estimate. CPI inflation kept stable at 1.6% Y/Y in November preliminary estimate compared to 1.7% Y/Y expected. Manufacturing PMI climbed to 56.1 in November (less than expected) from 55.8 in October.

EMERGING MARKET,

The Brazilian economy expanded 0.1% Q/Q in Q3 2017 following the revised up reading to 0.7% Q/Q in the preceding quarter. Manufacturing PMI climbed to 53.5 in November from 51.2 in October. Manufacturing PMI in India rose to 52.6 in November from 50.3 in October. Manufacturing PMI in China unexpectedly escalated to 51.8 in November from 51.5 in October. Caixin manufacturing PMI fell more than expected to 50.8 in November from 51 in October. Russian manufacturing PMI rose to 51.5 in November from 51.1 in October.

GCC & MENA,

SAMA net foreign assets increased to SAR1822.1 billion in October from SAR1791.2 billion registered in September.

The Turkish trade balance posted a deficit of \$7.32 billion in October following the revised up deficit to \$8.15 billion in September. Manufacturing PMI edged up to 52.9 in November from 52.8 in October.

WEEKLY CLOSING FX CHART

POUND STERLING

— GBP/USD Dec 01 CLOSE \$1.3477

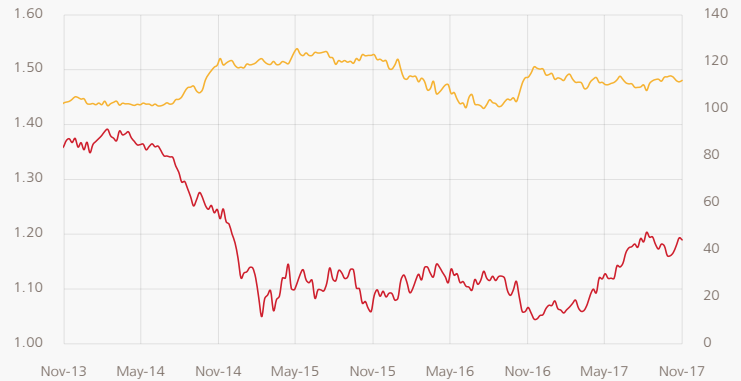


SOURCE : BLOOMBERG | BANK ALBILAD TREASURY DIVISION

WEEKLY CLOSING FX CHART

EURO & JAPANESE YEN

— EUR / USD Dec 01 CLOSE \$1.1896 — USD / JPY Dec 01 CLOSE ¥112.17

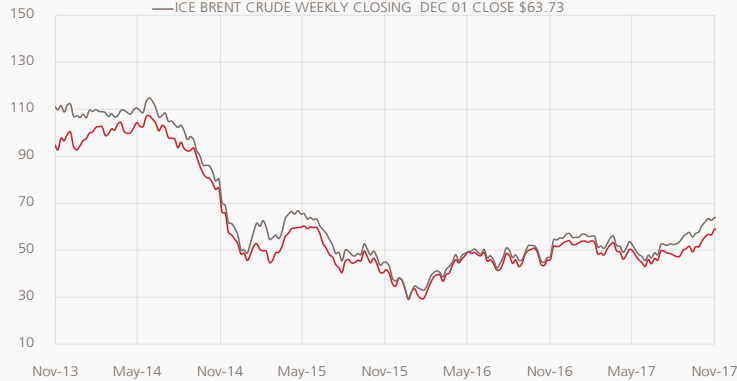


SOURCE : BLOOMBERG | BANK ALBILAD TREASURY DIVISION

WEEKLY CLOSING CRUDE OIL

USD PER BARREL

— NYMEX WTI CRUDE WEEKLY CLOSING DEC 01 CLOSE \$58.36
— ICE BRENT CRUDE WEEKLY CLOSING DEC 01 CLOSE \$63.73



SOURCE : BLOOMBERG | BANK ALBILAD TREASURY DIVISION

WEEKLY CLOSING SPOT GOLD

USD PER OUNCE

— Gold Spot price, quoted as US Dollars per Troy Ounce Dec 01 CLOSE \$1280.62



SOURCE : BLOOMBERG | BANK ALBILAD TREASURY DIVISION

WEEKLY CLOSING GOVERNMENT BOND YIELDS

USA & GERMANY

— U.S 10 - year government Bond Dec 01 CLOSE 2.36%
— Germany 10 - year government Bond Dec 01 CLOSE 0.30%



SOURCE : BLOOMBERG | BANK ALBILAD TREASURY DIVISION

WEEKLY CLOSING GOVERNMENT BOND YIELDS

ITALY & SPAIN

— Italy 10 - year government Bond Dec 01 CLOSE 1.71%
— Spain 10 - year government Bond Dec 01 CLOSE 1.41%



SOURCE : BLOOMBERG | BANK ALBILAD TREASURY DIVISION

PROFIT RATE BENCHMARK

TENOR	LIBOR	SIBOR	SAR - DEP
1 - Month	1.3794	1.4850	1.32
3 - Month	1.4946	1.8175	1.59
6 - Month	1.6743	2.0613	1.80
9 - Month	-	-	-
12 - Month	1.9604	2.2550	1.97

ENERGY / COMMODITIES USD

	LAST PRICE	WTD
GOLD - SPOT	1,280.62	(0.60%)
SILVER - SPOT	16.44	(3.59%)
ALUMINUM - LME 3 MTH	2,074.50	(2.70%)
COPPER - LME 3 MTH	6,833.00	(2.41%)
WTI - NYMEX	58.36	(1.00%)
BRENT - ICE	63.73	(0.20%)

Foreign Exchange

	Spot	SAR Equ	WTD
GBP / USD	1.3477	5.0539	1.05%
EUR / USD	1.1896	4.4610	(0.31%)
AUD / USD	0.7613	2.8549	(0.05%)
USD / CHF	0.9762	3.8414	(0.34%)
USD / CAD	1.2685	2.9562	(0.21%)
USD / JPY	112.17	0.0334	0.57%
USD / CNY	6.4755	0.5791	(0.28%)
USD / SAR	3.7503	1.0000	0.00%

STOCKS INDEXES WEEKLY CLOSING

Index	Closed	WTD
S&P 500	2,642	1.53%
Dow Jones	24,232	2.86%
NASDAQ	6,848	(0.60%)
FTSE 100	7,300	(1.47%)
DAX Index	12,861	(1.52%)
CAC Index	5,317	(1.36%)
Nikkei 225	22,819	1.19%
TASI Index	7,004	1.83%

WEEK AHEAD ECONOMIC CALENDAR

DATE	COUNTRY	ECONOMIC RELEASE /EVENTS	PERIOD	EXPECTED *	PRIOR	IMPORTANCE
Mon 04 / 12 18:00	US	Factory Orders	Oct	-0.40%	1.40%	
Mon 04 / 12 18:00	US	Durable Goods Orders	Oct F	-1.00%	-1.20%	
Wed 06 / 12 10:00	GE	Factory Orders MoM	Oct	-0.20%	1.00%	
Wed 06 / 12 15:00	US	MBA Mortgage Applications	1-Dec	--	-3.10%	
Wed 06 / 12 16:15	US	ADP Employment Change	Nov	190k	235k	
Thu 07 / 12 10:00	GE	Industrial Production SA MoM	Oct	1.00%	-1.60%	
Thu 07 / 12 13:00	EC	GDP SA QoQ	3Q F	0.60%	0.60%	
Thu 07 / 12 13:00	EC	GDP SA YoY	3Q F	2.50%	2.50%	
Thu 07 / 12 16:30	US	Initial Jobless Claims	2-Dec	240k	238k	
Fri 08 / 12 10:45	FR	Industrial Production MoM	Oct	-0.10%	0.60%	
Fri 08 / 12 10:45	FR	Industrial Production YoY	Oct	2.90%	3.20%	
Fri 08 / 12 12:30	UK	Industrial Production MoM	Oct	0.00%	0.70%	
Fri 08 / 12 12:30	UK	Manufacturing Production MoM	Oct	0.00%	0.70%	
Fri 08 / 12 16:30	US	Change in Nonfarm Payrolls	Nov	199k	261k	
Fri 08 / 12 16:30	US	Unemployment Rate	Nov	4.10%	4.10%	

Source: Bloomberg for forecasting

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ADDITIONAL DISCLOSURES

This report is dated as at 04 December 2017. All market data included in this report are dated as at close 02 December 2017 , unless otherwise indicated in this report.

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