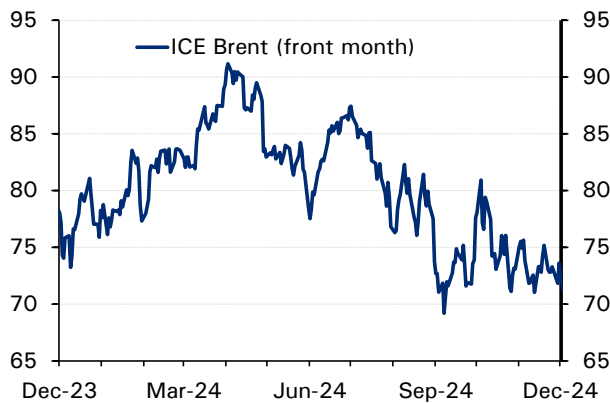


# Daily Economic Update

Economic Research Department  
8 December 2024

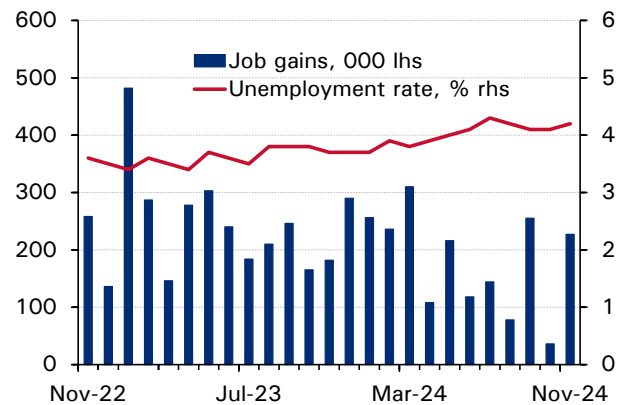
**Oil: OPEC extends voluntary cuts, slows down pace of supply increases.** At the latest OPEC+ meeting, the ‘Group of Eight’, the eight members who initiated 2.2 mb/d voluntary cuts in January 2024 and were poised to gradually return output into the market starting in January 2025, decided to extend the ongoing cuts to April 2025. Additionally, the pace of output hikes will decrease from 180 kb/d every month to just 135 kb/d, pushing back the period at which supply will be fully restored by six months to September 2026. The UAE’s 300 kb/d baseline increase, initially scheduled to be phased in January 2025 over a nine-month period, will now also be pushed back to April and implemented over an 18-month period instead. In terms of the market balance outlook, a surplus is still expected next year despite the delays and smaller output increase by OPEC, driven by robust non-OPEC supply growth by the American Quartet (US, Canada, Brazil, and Guyana) and anemic oil demand growth owing to the ongoing energy transition and softer economic activity in China. While the latest measures signal a smaller market surplus next year, oil prices responded negatively as Brent futures settled at \$71.1/bbl on Friday, registering a 2.5% w/w loss.

**Chart 1: Oil prices**  
(\$/bbl)



Source: Haver

**Chart 2: US job gains and unemployment**



Source: Haver

**US: November job gains rebound more than expected but the unemployment rate inches up.** The non-farm payroll report showed an addition of 227k jobs in November, increasing from an upwardly-revised 36K in October and versus the consensus forecast of a 200K rise. Given that October’s data was distorted by hurricanes and a strike at Boeing, the rebound was widely expected but a stronger gain implies that the labor market remains solid though it has been easing from larger additions seen in 2023 as well as earlier this year. Wage growth was also robust at 4% y/y (0.4% m/m), unchanged from the previous month. However, the unemployment rate ticked up to 4.2% from 4.1%, with the labor participation rate dropping to 62.5% from

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62.6%, signaling more signs of moderation in employment dynamics. The mixed labor market data boosted the bets of a 25 bps interest rate cut, as opposed to a pause, at the Fed's meeting next week, with the market's projection slightly leaning now towards three cuts next year versus two prior to the release of the latest job indicators.

**Eurozone: Retail sales slightly weaker than expected in October.** Retail sales fell by 0.5% m/m in October, reversing the previous month's 0.5% gain, and slightly weaker than expectations of -0.3% m/m. However, y/y growth in retail sales in August through October is above 2% y/y, more than a two-year high. Separately, the third estimate of Q3 GDP growth was confirmed at 0.4% q/q, a two-year high.

**Japan: Household spending falls for the third month in October.** Real household spending, a leading indicator for private consumption, declined for the third consecutive month in October by 1.3% y/y compared with a 1.1% fall in the previous month. Separate data from the Ministry of Health, Labor and Welfare showed that yearly growth in nominal wages (the total monthly cash earnings per worker) saw a slight uptick to 2.6% in October from September's 2.5%, rising for the 34th straight month. The continued decline in household spending highlights the weak dynamic in private consumption over the past two quarters, though it is unlikely to deter the Bank of Japan (BoJ) from raising rates again in December or January as the continued recovery in wages could eventually support spending.

**UAE: PMI maintains solid expansion in November.** The UAE non-oil economy continued to expand at a solid pace in November on strong demand, with the PMI inching up to 54.2 in November from 54.1 in the previous month. Output remained robust at just below 60, though easing slightly from October's six-month high, while new orders saw an upturn in new business volumes. Employment, however, remained near the neutral benchmark for the second consecutive month despite a rise in the backlogs of work. Input prices increased in November, though at the same pace as October, on rising raw materials, machinery, and staff costs. On the other hand, output prices fell for the second month running on discounting policies amid intense competition. Business confidence softened in November, though remaining solid on market demand optimism.

## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi (ADI)	9,266	-0.11	-3.25
Bahrain (ASI)	2,036	-0.01	3.25
Dubai (DFMGI)	4,854	0.71	19.57
Egypt (EGX 30)	30,840	0.02	24.19
GCC (S&P GCC 40)	707	0.02	-0.82
Kuwait (All Share)	7,289	0.16	6.92
KSA (TASI)	11,932	0.38	-0.30
Oman (MSM 30)	4,572	-0.13	1.27
Qatar (QE Index)	10,392	0.52	-4.05
<b>International</b>			
CSI 300	3,973	1.31	15.80
DAX	20,385	0.13	21.69
DJIA	44,643	-0.28	18.45
Eurostoxx 50	4,978	0.53	10.09
FTSE 100	8,309	-0.49	7.44
Nikkei 225	39,091	-0.77	16.81
S&P 500	6,090	0.25	27.68

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	5.88	0.00	-64.63
Kuwait	4.00	0.00	-31.25
Qatar	6.00	0.00	-25.00
UAE	4.35	-7.19	-97.46
Saudi	5.49	0.00	-73.94
SOFR	4.43	-1.57	-90.30

Bond yields	%	Change (bps)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi 2027	4.52	-2.00	19.9
Oman 2027	5.31	0.00	15.3
Qatar 2026	4.51	-5.00	-0.9
Kuwait 2027	4.68	-2.00	34.0
Saudi 2028	4.73	-2.00	20.9

<b>International 10YR</b>			
US Treasury	4.15	-2.90	28.8
German Bund	2.11	0.85	8.3
UK Gilt	4.28	-0.55	73.7
Japanese Gvt Bond	1.05	-2.00	43.4

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	0.01	-0.06
KWD per EUR	0.32	-0.15	-1.80
USD per EUR	1.06	-0.17	-4.24
JPY per USD	150.03	-0.03	6.36
USD per GBP	1.27	-0.13	0.10
EGP per USD	49.93	0.00	61.85

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	71.12	-1.35	-7.68
KEC	72.32	-0.50	-9.10
WTI	67.2	-1.61	-6.21
Gold	2638.6	0.46	27.94

Quoted prices/rates collected after close of last trading day (or are most recent available)

Source: LSEG / Haver