

# Daily Economic Update

Economic Research Department  
19 November 2023

**US: Mixed data as industrial output falls and jobless claims rise but housing activity picks up.** Industrial production in October fell by a more-than-forecast 0.6% m/m from a downwardly revised +0.1% in September, marking the first monthly decline since June, mainly due to manufacturing disruptions caused by the autoworkers' strike. With the strike now ended, manufacturing output should recover this month. Signaling some slight loosening in the labor market, initial weekly unemployment claims (w/e November 11) rose to a three-month high of 231K from 218K the previous week, with continuing claims rising to 1.87 million from 1.83 million. Meanwhile however, residential construction activity unexpectedly strengthened in October, especially for single-unit structures, despite mortgage rates reaching decades-high levels: building permits and housing starts increased by 1.1% m/m and 1.9% m/m, respectively. Economic indicators so far in Q4 have broadly come in on the softer side after a blowout Q3. Yet overall momentum remains robust for now despite tight monetary policy, suggesting still decent GDP growth in the current quarter (perhaps 1-2%), albeit slower than the exceptional annualized 4.9% seen in Q3.

**UK: Retail sales drop to the lowest in two years.** Retail sales contracted by 2.7% y/y in October versus -1.2% in September, coming close to the market expectations of a 2.4% drop. On a monthly basis, sales decreased by 0.3% m/m following a 1.0% m/m fall in September. The severe drop in sales continued to confirm the strong impact of higher interest rates on consumption, which has helped reduce inflationary pressure recently. This in turn could exert pressure on the Bank of England to cut interest rates earlier than expected.

**Saudi Arabia: Oil exports in September fall sharply y/y but up slightly m/m.** Oil exports plunged by around 25% y/y in September to stand at 5.75mb/d, though were up by 3% m/m. For Q3, oil exports are down by a sharp 24% y/y given the start of the additional 1mb/d voluntary cut in July. Oil export volumes are expected to fall by a similar rate in Q4 given the extension of that cut until the end of the year. For 9M2023, oil exports were down by around 7% y/y.

## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi (ADI)	9,575	-0.33	-6.23
Bahrain (ASI)	1,947	0.07	2.70
Dubai (DFMGI)	3,995	0.25	19.74
Egypt (EGX 30)	24,383	1.01	67.03
GCC (S&P GCC 40)	674	-0.01	-2.47
Kuwait (All Share)	6,642	0.13	-8.91
KSA (TASI)	11,082	0.54	5.08
Oman (MSM 30)	4,619	0.78	-5.20
Qatar (QE Index)	10,221	0.42	-4.30

<b>International</b>			
CSI 300	3,568	-0.12	-7.84
DAX	15,919	0.84	14.33
DJIA	34,947	0.01	5.43
Eurostoxx 50	4,341	0.89	14.42
FTSE 100	7,504	1.26	0.70
Nikkei 225	33,585	0.48	28.71
S&P 500	4,514	0.13	17.57

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	6.65	0.00	51.20
Kuwait	4.31	0.00	31.25
Qatar	6.00	0.00	71.67
UAE	5.47	10.47	105.78
Saudi	6.34	0.00	112.60
LIBOR	5.63	-0.02	86.14
SOFR	5.37	-0.23	77.97

Bond yields	%	Change (bps)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi 2027	4.92	-5.20	69.0
Oman 2027	6.01	-4.20	1.8
Qatar 2026	5.06	-4.00	57.6
Kuwait 2027	5.00	-2.20	72.9
Saudi 2028	5.13	-5.00	45.7

<b>International 10YR</b>			
US Treasury	4.44	-0.40	61.0
German Bund	2.59	0.10	2.7
UK Gilt	4.11	-4.90	43.6
Japanese Gvt Bond	0.75	-3.90	33.4

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.06	0.81
KWD per EUR	0.34	0.46	2.73
USD per EUR	1.09	0.53	1.92
JPY per USD	149.62	-0.72	14.12
USD per GBP	1.25	0.44	3.01
EGP per USD	30.90	0.00	24.90

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	80.61	4.12	-6.17
KEC	82.27	-2.88	0.28
WTI	75.89	4.10	-5.44
Gold	1981.6	-0.12	8.90

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

Source: Refinitiv / Haver