

# Daily Economic Update

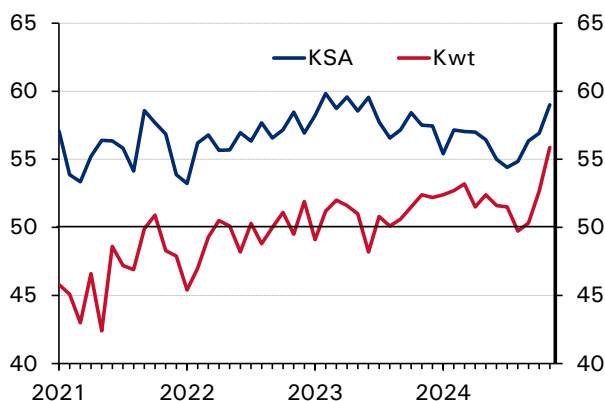
Economic Research Department  
3 December 2024

**Kuwait: Private sector activity strengthens sharply in November.** The non-oil PMI activity gauge jumped to 55.9 in November from 52.7 the previous month, registering the highest reading since July 2020. Excluding the pandemic era and the related rebound from the loosening of mobility restrictions, the output, new orders and new export orders subcategories all recorded their best month on record. The sharp pickup in activity, however, increased cost pressures for firms as staffing costs and purchase prices rose from October, pushing input price growth to the highest since March this year. Companies increased employment to satisfy higher demand, though the backlog of work rose, suggesting a more positive near-term outlook for non-oil output. Nevertheless, output prices only recorded a marginal increase, indicating the firms' unwillingness to pass on higher costs to customers at this point.

**Saudi Arabia: Strong expansion in business activity.** The non-oil private sector PMI rose to 59.0 in November from 56.9 in October, and signaling the strongest expansion in business activity since June 2023. The strong reading was driven by a sharp increase in output, new orders, and employment, reflecting strong domestic demand and business confidence. Also of note is the robust expansion in purchasing activity and inventories, with the latter rising to a six-month high, indicative of a positive demand outlook. On the price front, input prices rose at the fastest rate in more than four years on both purchase and labor costs, which led firms to increase prices charged (output) for the second consecutive month.

**Chart 1: Kuwait and Saudi PMIs**

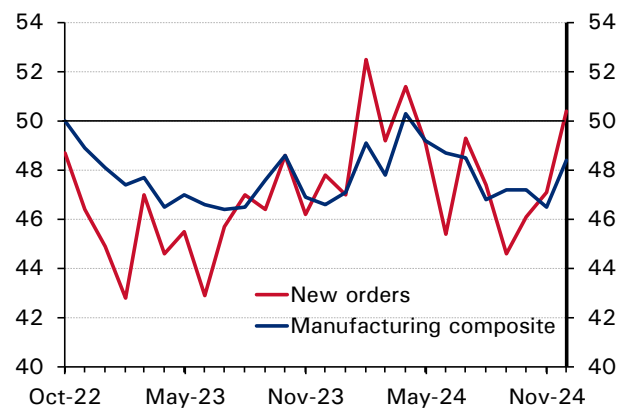
(index)



Source: Haver

**Chart 2: US ISM manufacturing PMI**

(index)



Source: Haver

**Egypt: Airports could be managed under an Egyptian-French collaboration.** According to a cabinet statement, Hassan Allam Holding and France's Groupe Aeroports de Paris (ADP France) have submitted a joint proposal to

manage and operate Egyptian airports. The proposal aims to increase airport capacity, allow for smoother passenger and cargo movement and higher airport efficiency. This announcement comes after recent comments by the government with regards to airport privatization plans whereby the prime minister welcomed private sector players to manage airports to improve services and revenues of these airports across the country. At the initial stage, Cairo International Airport, Sphinx International Airport, and EL Alamein International Airport, Sharm El Shiekh and Hurghada airport will all be part of the privatization process. Upon the materialization of such news, it will come as a further confirmation of government intent to include private sector players on a greater level in many state assets. We see these steps falling into the next wave of policies and if successful will help maintain reform momentum.

**US: Manufacturing activity continues to contract but shows tentative signs of revival.** The ISM manufacturing PMI contracted for the eighth consecutive month in November, coming in at 48.4 but improving from 46.5 in October and versus the consensus expectation of 47.5. However, the new orders index exited its slump for the first time since March, rising to 50.4 from 47.1 in October, offering tentative signs of a rebound in manufacturing. Meanwhile, the gauge of input prices eased to 50.3 from 54.8 the previous month, but production and employment shrank further, albeit at softer rates versus October. Still, worries about an anticipated increase in tariffs on Chinese imports under the incoming Trump administration continued to weigh on overall sentiment, clouding the outlook for manufacturing in 2025.

**UK: Rise in house prices accelerates to an over two-and-half year high.** According to Nationwide, UK home prices in November recorded their strongest rise since March 2022, up 1.2% m/m (3.7% y/y) from 0.1% (2.4% y/y) in October, outpacing the consensus forecast of a 0.2% m/m increase. The unexpected large gain in house prices in November underscores that a still-decent if cooling labor market and robust wage growth continue to support the housing market despite elevated mortgage rates. Moreover, housing activity may receive a further push over the coming months before the proposed changes in stamp duty structure take effect from April 2025.

## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi (ADI)	9,235	0.00	-3.58
Bahrain (ASI)	2,032	0.03	3.05
Dubai (DFMGI)	4,847	0.00	19.40
Egypt (EGX 30)	30,525	0.09	22.92
GCC (S&P GCC 40)	698	0.31	-1.98
Kuwait (All Share)	7,256	0.14	6.44
KSA (TASI)	11,739	-0.02	-1.91
Oman (MSM 30)	4,570	-0.19	1.23
Qatar (QE Index)	10,391	-0.01	-4.06
<b>International</b>			
CSI 300	3,948	0.79	15.05
DAX	19,934	1.57	19.00
DJIA	44,782	-0.29	18.82
Eurostoxx 50	4,847	0.88	7.19
FTSE 100	8,313	0.31	7.50
Nikkei 225	38,513	0.80	15.09
S&P 500	6,047	0.24	26.78

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	5.89	5.20	-62.96
Kuwait	3.94	0.00	-37.50
Qatar	6.00	0.00	-25.00
UAE	4.52	0.00	-80.72
Saudi	5.48	-9.35	-75.18
SOFR	4.47	N/A	-86.52

Bond yields	%	Change (bps)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi 2027	4.54	2.00	21.9
Oman 2027	5.43	0.00	27.3
Qatar 2026	4.58	-1.00	6.1
Kuwait 2027	4.68	2.00	34.0
Saudi 2028	4.82	6.00	29.9

<b>International 10YR</b>			
US Treasury	4.19	1.73	33.5
German Bund	2.03	-5.35	0.5
UK Gilt	4.21	-3.45	67.1
Japanese Gvt Bond	1.07	2.00	45.4

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	0.08	-0.03
KWD per EUR	0.32	-0.69	-2.45
USD per EUR	1.05	-0.74	-4.88
JPY per USD	149.59	-0.11	6.05
USD per GBP	1.27	-0.64	-0.58
EGP per USD	49.67	0.24	61.00

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	71.83	-1.52	-6.76
KEC	72.63	-0.18	-8.71
WTI	68.1	0.15	-4.95
Gold	2634.9	-0.83	27.76

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

Source: LSEG / Haver