

Daily Economic Update

Economic Research Department
21 November 2023

Kuwait: Inflation ticks up in October. Consumer price rises quickened slightly in October, at 0.4% m/m and 3.8% y/y from September's 0.3% m/m and 3.7% y/y led by steeper price rises in the food & beverages (0.9 m/m; 5.7% y/y) and communication (1.5% m/m; 3.1% y/y) categories. Indeed, the rise in food prices was the largest this year and stands in contrast to the trend in global food prices, which, according to the UN FAO index, are now falling in year-on-year terms. Core inflation, which excludes food and housing, also edged up in October to 3.5% y/y from 3.4% in September, with annual price rises in the clothing (7.0%), hospitality (3.5%) and miscellaneous goods (4.2%) categories still elevated. Headline inflation has remained in the 3.7-3.8% range for the past eight months and is expected to average 3.6% by year's end before moderating in 2024 to 2.5% as food price inflation eases.

Oman: Consumer price inflation drops significantly in October. Inflation reached 0.3% y/y (-0.2% m/m) in October, easing dramatically from 1.3% in September and marking its lowest annual rise since March 2021. The drop in inflation was attributed to a range of segments including food (1.7% y/y), clothing (0%) and housing services (0%), while transport (-1.4%), education (-2.4%), communication (-0.2%) and hospitality (-0.1%) registered year-on-year price declines. Oman's inflation has been on a decelerating trend since peaking at 4.4% in January 2022, helped by easing global price pressures, tighter monetary policy, the government's price cap on fuel products (introduced in late 2021 but due to expire at end-2023), and broader fiscal restraint aimed at improving the public finances.

Egypt: Domestic gas production falls to a three-year low. Egypt's natural gas production fell to 4.7bn cubic meters per day in September 2023, down 6% m/m, underscoring the lack of major foreign direct investments because of unpaid dues by the government to major oil companies. Meanwhile, the government expects tourism revenues to reach \$14bn by the end of 2023, up 15% y/y. The government aims to attract around 18 million tourists in 2024, up from the expected 15 million in 2023, despite the situation in Gaza, which was expected to impact overall tourism activity in Egypt adversely.

Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,575	0.00	-6.23
Bahrain (ASI)	1,945	0.06	2.64
Dubai (DFMGI)	4,002	0.20	19.97
Egypt (EGX 30)	24,760	-0.56	69.61
GCC (S&P GCC 40)	674	-0.03	-2.50
Kuwait (All Share)	6,624	-0.40	-9.17
KSA (TASI)	11,119	-0.16	5.43
Oman (MSM 30)	4,614	-0.18	-5.30
Qatar (QE Index)	10,181	-0.58	-4.68

International			
CSI 300	3,576	0.23	-7.63
DAX	15,901	-0.11	14.20
DJIA	35,151	0.58	6.05
Eurostoxx 50	4,342	0.04	14.47
FTSE 100	7,496	-0.11	0.60
Nikkei 225	33,388	-0.59	27.95
S&P 500	4,547	0.74	18.44

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	6.65	-0.33	50.87
Kuwait	4.31	0.00	31.25
Qatar	6.00	0.00	71.67
UAE	5.36	-11.16	105.09
Saudi	6.32	-1.75	110.75
LIBOR	5.63	0.46	86.58
SOFR	5.37	-0.02	77.95

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	4.91	-1.20	67.8
Oman 2027	5.97	-4.20	-2.4
Qatar 2026	5.07	1.50	59.1
Kuwait 2027	4.99	-0.90	72.0
Saudi 2028	5.11	-1.60	44.1

International 10YR			
US Treasury	4.42	-1.90	59.1
German Bund	2.62	2.80	5.5
UK Gilt	4.13	2.30	45.9
Japanese Gvt Bond	0.74	-0.80	32.6

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.05	0.77
KWD per EUR	0.34	0.24	2.98
USD per EUR	1.09	0.28	2.21
JPY per USD	148.36	-0.84	13.16
USD per GBP	1.25	0.35	3.36
EGP per USD	30.92	0.23	24.98

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	82.32	2.12	-4.18
KEC	85.79	4.28	4.57
WTI	77.6	2.25	-3.31
Gold	1977.7	-0.20	8.68

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

Source: Refinitiv / Haver