

# Daily Economic Update

Economic Research Department  
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**US: Markets take comfort from new Treasury pick, Trump vows further tariffs.** US bond markets restored some calmness yesterday after the announcement of Treasury Secretary nominee, Scott Bessent, under the incoming Trump administration. Though Bessent, a Wall Street veteran, has largely endorsed president-elect Trump's views on tax cuts and tariffs, investors see him as relatively more sensitive to fiscal (i.e. deficit and debt) issues and resulting market fallouts, and someone who would impose greater stability on policymaking than previously feared. Yields on UST 10Y bonds fell by almost 15 bps yesterday, the biggest daily drop in nearly four months, to close at 4.27%. However, incoming president Trump, in social media posts later in the day, renewed his calls to impose steep tariffs on imports from China (10% on top of any additional tariffs) and Canada and Mexico (25% each), citing their failure to curb flows of drugs and illegal immigrants across US borders. This saw some reversal in yields, which were up by around 2 bps in trading this morning, with the US dollar mostly rising against major currencies.

**Kuwait: Real estate sales show further signs of recovery in October.** After slowing through the summer, real estate sales showed further signs of recovery by increasing for the second consecutive month in October (14.9% m/m) to a 5-month high of KD326 million. The rise was driven by the commercial segment, where sales rebounded to KD69 million (262% m/m) following a weak September, on a strong rise in transactions in the Kuwait City governorate. Residential segment sales rose more modestly (3.2% m/m), but still logged a 17-month high of KD166 million. However, the investment segment saw a 12.6% m/m drop in sales on a fall in the number of transactions (-20% m/m). On a yearly basis, real estate sales growth eased to 8.5% in October from the strong 46% growth seen in September, with the latter boosted by a base effect following weak activity a year earlier. The general upward trend in property sales seen since the summer incorporates a potential turn in fortunes for the residential sector, where sales have been on a trend decline since 2021 and where prices by our estimates, although still elevated, have been moderating. In addition, the beginning of the monetary policy easing cycle globally in Q3 and the interest rate cut by the Kuwaiti central bank in September by 25bps could help in supporting demand in the coming months.

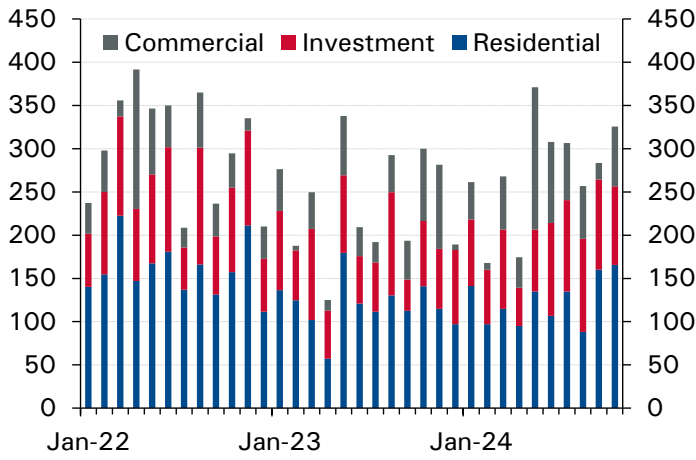
**Egypt: Government looking to cut property taxes on factories and individuals.** According to the vice minister of finance, the government is entertaining the idea of introducing a permanent property tax exemption for factories as a proposal to help push local industry and reduce general costs. Currently, factories are enjoying a temporary three-year exemption on property tax introduced in 2022 up until 2026. Additionally, reports suggest that the state might legalize the status of factories that were built on non-industrial land. On the residential front, the government is also looking to either raising the residential tax exemption cap (currently set at EGP2mn) or removing it for first homes while taxing additional properties. In our opinion, such reforms are important to encourage further investment in factories and push down the overall cost of production in major industries, following up on the important macro-economic reforms that took place earlier this year.

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**Chart 1: Kuwait real estate sales**  
(KD million, per month)



Source: Ministry of Justice

## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi (ADI)	9,232	0.00	-3.61
Bahrain (ASI)	2,021	-0.69	2.53
Dubai (DFMGI)	4,768	0.95	17.45
Egypt (EGX 30)	30,271	-0.42	21.90
GCC (S&P GCC 40)	702	-0.30	-1.52
Kuwait (All Share)	7,259	-0.61	6.48
KSA (TASI)	11,788	-0.65	-1.50
Oman (MSM 30)	4,519	-0.91	0.11
Qatar (QE Index)	10,413	0.03	-3.86
<b>International</b>			
CSI 300	3,848	-0.46	12.15
DAX	19,405	0.43	15.84
DJIA	44,737	0.99	18.70
Eurostoxx 50	4,800	0.23	6.15
FTSE 100	8,292	0.36	7.22
Nikkei 225	38,780	1.30	15.89
S&P 500	5,987	0.30	25.53

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	5.84	0.00	-68.16
Kuwait	3.94	-6.25	-37.50
Qatar	6.00	0.00	-25.00
UAE	4.45	-5.39	-88.11
Saudi	5.49	-2.54	-74.52
SOFR	4.52	0.01	-81.05

Bond yields	%	Change (bps)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi 2027	4.57	-9.00	24.9
Oman 2027	5.49	-6.00	33.3
Qatar 2026	4.60	-9.00	8.1
Kuwait 2027	4.66	-7.00	32.0
Saudi 2028	4.87	-11.00	34.9

<b>International 10YR</b>			
US Treasury	4.27	-13.69	41.4
German Bund	2.20	-4.85	17.5
UK Gilt	4.34	-4.15	80.4
Japanese Gvt Bond	1.07	-1.00	45.4

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.01	0.14
KWD per EUR	0.32	0.64	-2.37
USD per EUR	1.05	0.74	-4.91
JPY per USD	154.21	-0.34	9.32
USD per GBP	1.26	0.29	-1.27
EGP per USD	49.57	-0.16	60.68

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	73.01	-2.87	-5.23
KEC	74.54	-0.76	-6.31
WTI	68.94	-3.23	-3.78
Gold	2616.8	-3.44	26.88

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

Source: LSEG / Haver