

# Daily Economic Update

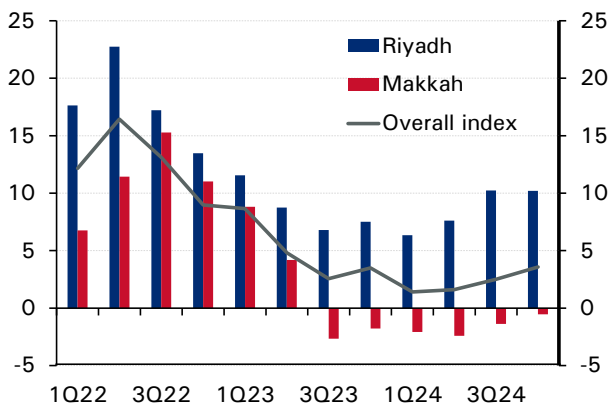
Economic Research Department  
23 January 2025

**Saudi Arabia: Real estate prices continue to rise in Q4, but mainly around Riyadh.** Saudi residential real estate prices saw their largest annual increase in one and half years in Q4 2024, up 3.1% y/y according to official data. Price gains appear to be focused in the booming Riyadh market, where property (residential plus others) prices rose by 10.2%. The capital's real estate market has seen multi-year price growth on robust housing demand thanks to higher employment and investment-driven economic growth. This strong market dynamic is also evident in the rents sub-component of the CPI inflation index, which continues to post double digit annual growth (10.6% y/y in December) and remains the main driver of Saudi inflation overall. In contrast, prices either saw modest gains or declines in other areas of the Kingdom, consistent with a higher concentration of economic activity in Riyadh. Over the past three years, real estate prices in Riyadh rose by 34%, far outpacing average wage growth over the same period, affecting housing affordability. Still, homeownership has advanced well towards the 2030 vision target of 70% by the end of the decade, reaching around 63% currently from 47% in 2016, according to a recent IMF report. Although fundamentals remain tight in the Riyadh housing market, price pressure could ease as new supply continues to enter the market from real estate developers and state housing projects. On the other hand, the potential for lower interest rates could restore mortgage demand and lead to further price gains.

**Egypt: Government pays \$1bn of arrears owed to foreign oil companies during the first week of January.** Based on our calculations, this should bring down total remaining arrears to \$3.9bn from a peak of \$6.5bn last June. Additionally, the government has agreed on a repayment schedule that starts next month, running until June, to clear the remaining amount. We see such developments as crucial as they should encourage international energy companies to increase their local oil and gas production, helping ease domestic gas shortages. Still, over the short to medium term, Egypt will rely heavily on LNG imports to meet its energy requirements as evident in the recent news about the authorities renting a third regasification unit to enhance the country's LNG import capacity.

**Chart 1: Saudi Arabia real estate prices\***

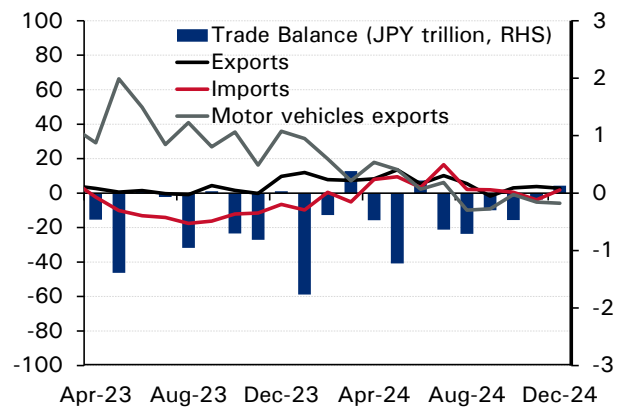
(% y/y)



Source: GASTAT \*Includes residential plus other sectors

**Chart 2: Japan's trade balance**

(% y/y)



## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi (ADI)	9,534	0.18	1.22
Bahrain (ASI)	1,899	-0.29	-4.39
Dubai (DFMGI)	5,231	0.20	1.40
Egypt (EGX 30)	29,979	0.51	0.80
GCC (S&P GCC 40)	740	0.19	2.47
Kuwait (All Share)	7,691	0.90	4.46
KSA (TASI)	12,362	-0.06	2.71
Oman (MSM 30)	4,619	0.13	0.92
Qatar (QE Index)	10,619	1.07	0.46

<b>International</b>			
CSI 300	3,797	-0.93	-3.50
DAX	21,254	1.01	6.76
DJIA	44,157	0.30	3.79
Eurostoxx 50	5,206	0.77	6.33
FTSE 100	8,545	-0.04	4.55
Nikkei 225	39,646	1.58	-0.62
S&P 500	6,086	0.61	3.48

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	5.69	0.50	0.67
Kuwait	3.94	0.00	0.00
Qatar	4.65	0.00	-2.50
UAE	4.25	-18.32	-19.27
Saudi	5.38	-1.82	-16.19
SOFR	4.29	N/A	-1.48

Bond yields	%	Change (bps)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi 2027	4.70	0.00	-4.0
Oman 2027	5.40	-5.00	-16.0
Qatar 2026	4.63	0.00	-16.0
Kuwait 2027	4.91	-2.00	-6.0
Saudi 2028	5.02	1.00	-6.0

<b>International 10YR</b>			
US Treasury	4.61	3.96	4.0
German Bund	2.50	2.15	13.7
UK Gilt	4.63	4.20	6.4
Japanese Gvt Bond	1.19	1.00	11.5

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	0.01	0.02
KWD per EUR	0.32	-0.12	0.74
USD per EUR	1.04	-0.21	0.52
JPY per USD	156.53	0.66	-0.41
USD per GBP	1.23	-0.31	-1.56
EGP per USD	50.26	0.02	-1.04

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	79.00	-0.37	5.84
KEC	82.21	-1.06	8.47
WTI	75.44	-0.59	5.19
Gold	2767.6	0.46	5.26

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

Source: LSEG / Haver