

Daily Economic Update

Economic Research Department
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Kuwait: FGF assets reach \$980 billion. The Sovereign Wealth Fund Institute reported that assets in Kuwait's Future Generations Fund (FGF) have risen by \$57 billion to \$980 billion (around 600% of GDP) from \$923 billion in March. The state-owned fund is now the fifth largest globally, surpassing the Saudi Public Investment Fund, whose asset value remained at \$925 billion. The FGF consists of investments in global markets based on an approved investment strategy, with assets ranging from traditional instruments such as stocks and bonds to alternative investments, including private equity, real estate, and infrastructure. Strong external reserves continue to support Kuwait's investment grade credit rating (rated 'A+' by S&P), partly offsetting risks on the fiscal front. Kuwait's budget has endured recurring deficits caused by long-term structural weaknesses, leading to the erosion of the General Reserve Fund (state treasury), which currently stands at under KD2 billion (\$6.5 billion), according to a recent statement by the minister of finance.

US: Existing home sales fall, staying near their 14-year low. Existing home sales in June fell more than forecast by 5.4% m/m, near the levels last seen in 2010 (excluding the final months of 2023). Elevated mortgage rates and growing unaffordability amid rising home prices continue to impact existing home activity, with several homeowners reluctant to list their property in the market as they are locked into cheap housing loans offered in the previous period. Still, the supply of residential units rose to its highest since October 2020, with the inventory-to-current sales ratio hitting 4.1 – the largest in four years. However, potential upcoming interest rate cuts should encourage buyers and sellers to return to the market, helping support a gradual recovery in existing home sales.

Japan: Service activity offsets unexpected drop in manufacturing, PMI surveys show. July saw a pullback in Japanese manufacturing activity as the au Jibun Bank flash PMI fell back into contraction territory, at 49.2 in July from 50 in June and missing expectations of 50.5. Weaker demand and higher input prices pressured output and new orders, contributing to the sector's overall weakness. However, on the positive side, the services sector PMI reading surged to 53.9 in July from 49.4 in June – the fastest expansion since April, which coincided with recent improvements in consumer confidence and retail sales. The flash composite PMI reached 52.6 in July from 49.7 in June, as the services sector led the expansion.

Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,234	-0.48	-3.59
Bahrain (ASI)	1,980	-0.01	0.41
Dubai (DFMGI)	4,216	0.89	3.85
Egypt (EGX 30)	29,195	0.70	17.57
GCC (S&P GCC 40)	699	-0.30	-1.84
Kuwait (All Share)	7,132	0.21	4.62
KSA (TASI)	12,106	-0.57	1.15
Oman (MSM 30)	4,649	0.37	2.98
Qatar (QE Index)	10,140	0.20	-6.37
International			
CSI 300	3,440	-2.13	0.26
DAX	18,558	1.57	10.78
DJIA	40,358	-0.14	7.08
Eurostoxx 50	4,917	0.40	8.74
FTSE 100	8,167	-0.38	5.61
Nikkei 225	39,594	-0.01	18.32
S&P 500	5,556	-0.16	16.48
3m interbank rates			
	%	Change (bps)	
		Daily	YTD
Bahrain	6.33	0.00	-19.00
Kuwait	4.25	0.00	-6.25
Qatar	6.00	0.00	-25.00
UAE	5.19	15.30	-28.69
Saudi	6.23	4.19	-4.27
LIBOR	5.55	0.12	-4.80
SOFR	5.28	0.04	-4.80

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	4.73	2.00	40.9
Oman 2027	5.32	0.00	16.3
Qatar 2026	4.88	-5.00	36.1
Kuwait 2027	4.93	2.00	59.0
Saudi 2028	4.89	-1.00	36.9
International 10YR			
US Treasury	4.25	0.00	39.4
German Bund	2.44	-4.45	40.9
UK Gilt	4.12	-3.60	58.4
Japanese Gvt Bond	1.06	1.00	44.4
Exchange rates			
	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.02	-0.58
KWD per EUR	0.33	-0.38	0.30
USD per EUR	1.09	-0.35	-1.68
JPY per USD	155.58	-0.90	10.29
USD per GBP	1.29	-0.21	1.38
EGP per USD	48.31	-0.10	56.60
Commodities			
	\$/unit	Change (%)	
		Daily	YTD
Brent crude	81.01	-1.69	5.15
KEC	83.90	-0.49	5.46
WTI	76.96	-3.53	7.41
Gold	2404.6	0.53	16.59

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

Source: Refinitiv / Haver

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