

Daily Economic Update

Economic Research Department
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Egypt: Rating outlook upgraded to positive by Fitch. Saudi Arabia: A sixth consecutive budget deficit in Q1 2024. According to the Saudi Ministry of Finance, the Kingdom recorded a sixth consecutive quarterly budget deficit in Q1, of SAR12.4 billion (\$3.3 billion, or -1% of estimated GDP), as expenditures (+8% y/y) continued to outpace revenues (+4%). Oil revenues were up 2% y/y and non-oil revenues rose 9%. However, the budget deficit did narrow significantly from the previous quarter's shortfall of SAR37 billion. Expenditures have continued to exceed budgeted levels (the 2024 budget has spending falling by around 3% compared with 2023 actual spending) as the Kingdom ramps up implementation of its ambitious Vision 2030 agenda. The government has forecast a series of deficits through 2026, with this year's shortfall expected at SAR79 billion.

Eurozone: PMI figures confirm fastest rate of expansion in almost a year. The HCOB Eurozone Composite PMI for April was confirmed at 51.7, higher than the initial estimate of 51.4 and significantly higher than March's reading of 50.3. This is the fastest rate of growth in eleven months and comes on the back of increased activity—especially inflows of new business—in the services sector, which saw its final PMI upwardly revised to 53.3 from 52.9 and higher than March's level (51.5). This is the third consecutive month of services sector growth. Germany and France were among the five euro-area economies to record a first increase in activity in 11 months, driven by domestic sales and backlogs of work which in tandem with higher employment.

UK: BoE expected to keep rates on hold this Thursday. The Bank of England's monetary policy committee (MPC) is expected to keep interest rates on hold this week at the current rate of 5.25% (unchanged since August 2023). The Bank will maintain its focus on wages and services inflation as key gauges in its determination of the most suitable time to begin the rate cutting cycle, though we do expect more committee members to lean towards a cut: in March, only one member voted for a cut. According to the latest market consensus, the first interest rate cut is expected in August and by end-2025 interest rates could fall to 3.75%.

Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,035	-0.02	-5.67
Bahrain (ASI)	2,022	-0.44	2.58
Dubai (DFMGI)	4,156	0.32	2.37
Egypt (EGX 30)	26,114	0.00	5.16
GCC (S&P GCC 40)	697	0.18	-2.20
Kuwait (All Share)	7,040	-0.05	3.27
KSA (TASI)	12,373	0.00	3.39
Oman (MSM 30)	4,792	-0.28	6.15
Qatar (QE Index)	9,639	-0.53	-11.00

International			
CSI 300	3,658	1.48	6.61
DAX	18,175	0.96	8.50
DJIA	38,852	0.46	3.09
Eurostoxx 50	4,957	0.72	9.63
FTSE 100	8,213	0.00	6.21
Nikkei 225	38,236	0.00	14.26
S&P 500	5,181	1.03	8.61

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	6.32	0.01	-20.66
Kuwait	4.31	6.25	-6.25
Qatar	6.00	0.00	-25.00
UAE	5.21	-10.72	-0.81
Saudi	6.23	-1.04	0.99
LIBOR	5.59	0.00	-0.38
SOFR	5.33	-0.84	-0.39

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	5.15	4.00	82.9
Oman 2027	5.96	0.10	79.8
Qatar 2026	5.15	-3.40	62.8
Kuwait 2027	5.14	0.20	80.1
Saudi 2028	5.23	1.90	70.8

International 10YR			
US Treasury	4.49	-1.10	62.9
German Bund	2.48	-3.40	44.7
UK Gilt	4.23	0.00	68.8
Japanese Gvt Bond	0.90	0.00	28.8

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	0.04	0.05
KWD per EUR	0.33	0.12	0.08
USD per EUR	1.08	0.09	-2.43
JPY per USD	153.88	0.59	9.09
USD per GBP	1.26	0.14	-1.32
EGP per USD	47.90	0.00	55.27

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	83.33	0.45	8.16
KEC	85.12	-0.11	6.99
WTI	78.48	0.47	9.53
Gold	2321.6	0.98	12.57

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

Source: Refinitiv / Haver

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