

# Daily Economic Update

Economic Research Department  
9 March 2025

**US: Labor market softens gradually, Powell sees the US economy in a good place.** Non-farm payrolls in February increased by a less-than-expected 151K from January's downwardly revised 125K gain. The unemployment rate unexpectedly ticked up to 4.1% from an eight-month low of 4% in January, with the labor participation rate falling to 62.4% from 62.6%, the lowest in over two years. However, wage growth increased to 4% y/y from a downwardly revised 3.9% but moderated on a monthly basis to 0.3% from 0.4% in January. Despite a gradual softening in the labor market, jobs print over the coming months may show more weakness as the impact of the Department of Government Efficiency-initiated federal jobs and spending cuts start to hit, clouding the underlying state of the job climate. Meanwhile, Fed chair Powell, in a speech, reiterated the bank's previous stance of not being in a hurry to adjust policy rates, seeing the US economy in "a good place," the labor market broadly in balance and ongoing progress on reducing inflation. He noted that the uncertain trade and policy outlook could have an impact on consumer and business spending but chose not to assign too much importance on the latest weak consumer confidence indicators, emphasizing on their poor reliability recently in predicting household consumption. His reassurance on the health of the economy, following a series of disappointing economic data lately, helped reverse a fall in US equity markets and bond yields on Friday.

**US: Sweeping tariffs on Canadian and Mexican goods delayed again, keeping uncertainty high.** President Trump once again modified his policies and exempted goods from Canada and Mexico covered under the existing North American trade agreement from 25% tariffs until April 2, citing it as "a short-term deal." Previously, commerce secretary Howard Lutnick had hinted at giving partial duty reprieves to imports from these two countries. However, Trump continued to sow confusion on trade policy implementation by stating that tariffs on Canada and Mexico could go up over time and threatening to levy reciprocal duties on some Canadian dairy and lumber goods on Monday or Tuesday. Meanwhile, previously mentioned 25% levies on all steel and aluminum imports (including from Canada and Mexico) are set to come into force on March 12. Canada maintained 25% tariffs on US goods worth \$21bn that it imposed last week but suspended the phase two implementation covering more US goods worth around \$85bn. Overall, unclear trade policies have contributed to an erosion of consumer and business confidence recently – with the University of Michigan consumer survey measure for example plunging in February – as well as adding to nervousness in financial markets.

**Eurozone: ECB cuts policy rates and revises down growth forecasts.** As widely anticipated, the European Central Bank (ECB) cut its deposit rate by 25 bps to 2.5% last Thursday – the sixth cut over the past nine months amid lackluster economic growth – bringing the benchmark deposit rate to its lowest since February 2023. The ECB also changed its language in its decision, noting that policy was becoming "meaningfully less restrictive," adding caution on the pace of future rate adjustments. The bank also lowered its Eurozone GDP growth forecast for 2025 to 0.9% from 1.1% and to 1.2% for 2026 versus 1.4% in December projections, reflecting lower exports and weak investment, in part linked to high trade and other policy uncertainty. Meanwhile, its forecast of

---

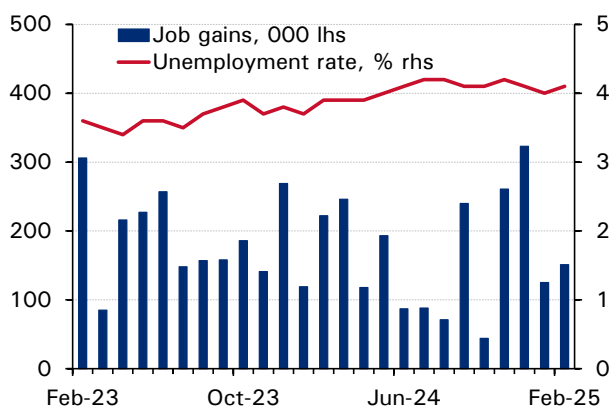
T: (+965) 2229 5500, [econ@nbk.com](mailto:econ@nbk.com) [Visit our publications](#) | [Unsubscribe from this list](#) | [Comments & feedback](#)

© 2025 NBK | Disclaimer: While every care has been taken in preparing this publication, National Bank of Kuwait accepts no liability whatsoever for any direct or consequential losses arising from its use. Daily Economic Update is distributed on a complimentary and discretionary basis to NBK clients and associates. This report and previous issues can be found in the "News & Insight / Economic Reports" section of the National Bank of Kuwait's web site. Please visit our web site, [www.nbk.com](http://www.nbk.com), for other bank publications.

inflation in 2025 was revised upwards to 2.3% from 2.1% earlier, with the bank citing “stronger energy price dynamics” as the key reason for the revision. Post the decision, ECB president Lagarde highlighted that growth risks are ‘tilted to the downside’ amid escalating trade tensions and an uncertain policy front, while sounding cautious about the inflationary aspect of a significant ramp up in Europe’s defense spending.

**China: Jan-Feb Trade and February inflation figures signal fresh weakening.** Chinese exports rose only 2.3% y/y in the Jan-Feb period, significantly below expectations of a 5% rise and far lower than the 10.7% increase seen in December. Likewise, imports also fell short of expectations, decreasing 8.4% y/y when the market expected a 1% increase to match December’s rise. In combination, it led to China’s Jan-Feb trade surplus to increase to a historically high of \$170bn in Jan-Feb (versus \$142bn consensus), threatening further tensions with US and other trade partners. Separately, CPI inflation returned to negative territory for the first time in 13 months, decreasing 0.7% y/y (-0.2% m/m) in February versus +0.5% in January. Meanwhile, produce prices (PPI inflation) continued their negative trend, falling for the 28th straight month, recording a 2.2% y/y decrease in February (-2.3% in January). Overall, declining inflation and weak import figures reinforce the view that the authorities could deliver fresh stimulus measures to bolster domestic demand, with some market participants expecting an announcement shortly after the National People’s Congress, which concludes this Tuesday.

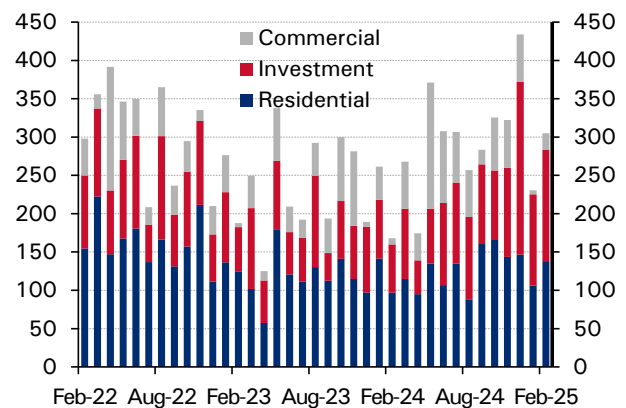
**Chart 1: US jobs gains and unemployment rate**



Source: Haver

**Chart 2: Kuwait real estate sales**

(KD million, per month)



Source: Kuwait Ministry of Justice (MoJ)

**Kuwait: Real estate sales in February edge up from January’s seven-month low.** Real estate sales rose to KD305mn in February, logging a 32% m/m (82% y/y) increase from January’s seven-month low of KD231mn with an across-the-board improvement. Residential sales rose 30% m/m (42% y/y) to KD138 million, the investment segment rebounded to KD146mn, increasing by 22% m/m (131% y/y), suggesting a strong appetite for income-generating properties. Commercial property sales more than doubled to KD21.5 million following January’s lowest reading since May 2021. While overall sales rebounded from the previous month, they were still below December’s strong peak of KD434mn. February was a short month in terms of working days – which included Kuwait’s National and Liberation Day holidays – and with March sales potentially affected by the timing of Ramadan it may be another month or two before the underlying state of the real estate market becomes clearer.

**Egypt: IMF to sign off Egypt’s fourth review tomorrow.** The IMF’s Executive Board is set to approve Egypt’s fourth review under its \$8bn loan program during a meeting tomorrow, paving the way for disbursement of a \$1.2bn tranche – the largest so far. The board will also consider Egypt’s requests for adjustments to certain timelines and terms of the agreement. Additionally, discussions should cover a potential \$1.3bn in funding under the Resilience and Sustainability Facility. These funds will be disbursed in phases rather than in a lump sum

T: (+965) 2229 5500, [econ@nbk.com](mailto:econ@nbk.com) Visit our publications | [Unsubscribe from this list](#) | [Comments & feedback](#)

© 2025 NBK | Disclaimer: While every care has been taken in preparing this publication, National Bank of Kuwait accepts no liability whatsoever for any direct or consequential losses arising from its use. Daily Economic Update is distributed on a complimentary and discretionary basis to NBK clients and associates. This report and previous issues can be found in the “News & Insight / Economic Reports” section of the National Bank of Kuwait’s web site. Please visit our web site, [www.nbk.com](http://www.nbk.com), for other bank publications.

manner, contingent on Egypt meeting specific conditions, according to IMF Communications Director Julie Kozack. Further details on possible waivers, modifications to the loan program, and updates on Egypt's privatization efforts are expected after the meeting.

## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi (ADI)	9,448	-0.89	0.31
Bahrain (ASI)	1,974	-0.10	-0.61
Dubai (DFMGI)	5,223	-0.97	1.24
Egypt (EGX 30)	30,947	0.23	4.06
GCC (S&P GCC 40)	733	-0.22	1.47
Kuwait (All Share)	8,119	-0.57	10.28
KSA (TASI)	11,811	-0.74	-1.87
Oman (MSM 30)	4,396	-0.35	-3.96
Qatar (QE Index)	10,514	0.21	-0.54

<b>International</b>			
CSI 300	3,944	-0.31	0.23
DAX	23,009	-1.75	15.57
DJIA	42,802	0.52	0.61
Eurostoxx 50	5,468	-0.94	11.69
FTSE 100	8,680	-0.03	6.20
Nikkei 225	36,887	-2.17	-7.54
S&P 500	5,770	0.55	-1.89

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	5.63	0.00	-5.89
Kuwait	3.94	0.00	0.00
Qatar	4.65	0.00	-2.50
UAE	4.19	1.89	-25.77
Saudi	5.29	0.00	-25.25
SOFR	4.29	0.90	-1.03

Bond yields	%	Change (bps)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi 2027	4.22	-3.00	-52.0
Oman 2027	5.28	0.00	-28.0
Qatar 2026	4.44	4.00	-35.0
Kuwait 2027	4.67	-4.00	-30.0
Saudi 2028	4.72	-7.00	-36.0

<b>International 10YR</b>			
US Treasury	4.30	2.47	-26.8
German Bund	2.84	-4.95	47.3
UK Gilt	4.65	-2.50	8.2
Japanese Gvt Bond	1.52	1.00	44.5

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.04	-0.06
KWD per EUR	0.33	0.41	4.77
USD per EUR	1.08	0.45	4.63
JPY per USD	148.03	0.05	-5.82
USD per GBP	1.29	0.29	3.27
EGP per USD	50.63	0.00	-0.32

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	70.36	1.30	-5.73
KEC	73.61	0.81	-2.88
WTI	67.04	1.02	-6.53
Gold	2904.7	-0.41	10.48

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

Source: LSEG / Haver

T: (+965) 2229 5500, [econ@nbk.com](mailto:econ@nbk.com) Visit our publications | [Unsubscribe from this list](#) | [Comments & feedback](#)

© 2025 NBK | Disclaimer: While every care has been taken in preparing this publication, National Bank of Kuwait accepts no liability whatsoever for any direct or consequential losses arising from its use. Daily Economic Update is distributed on a complimentary and discretionary basis to NBK clients and associates. This report and previous issues can be found in the "News & Insight / Economic Reports" section of the National Bank of Kuwait's web site. Please visit our web site, [www.nbk.com](http://www.nbk.com), for other bank publications.