

# Daily Economic Update

Economic Research Department  
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**China: Manufacturing PMI logs back-to-back expansion.** The official manufacturing PMI expanded at a slower pace of 50.4 in April but remaining in expansion territory for the second month in a row, helped by government efforts to rejuvenate industrial and manufacturing activity. Meanwhile, the gauge of non-manufacturing activity also slowed to 51.2 from 53 in March, the softest pace since January, but recording the 16th consecutive month of expansion. The softness in both indices saw the composite PMI (based on output indices) edge lower to 51.7 in April. The new orders subindex slowed in both the manufacturing and non-manufacturing sectors, highlighting weaker demand while input costs increased, potentially signaling an end to the recent deflationary spiral. Overall, the PMI surveys contained mixed signals, underscoring a slowing yet positive economic outlook.

**Japan: Industrial production rises, retail sales slow, while the labor market remains tight.** Industrial production exceeded market expectations in March by logging a growth of 3.8% m/m, reversing the 0.6% decline seen in February. This increase came largely from the recovery in motor vehicles (9.6% versus -8.1% in February), production machinery (11.6% versus -3.2%), and electronic parts and devices (9.2% versus 0.2%). However, on a yearly basis, industrial production fell by 6.7% in March, marking the fifth month of contraction. Meanwhile, the labor market remained tight as the unemployment rate was stable at 2.6% in March, though staying at the highest level since September, with the participation rate remaining at 62.8%. Finally, retail sales growth slowed to 1.2% y/y in March from a gain of 4.7% in February, coming below the market consensus of 2.5%. Sales of machinery & equipment (8.1%) and fuel (8.1%) advanced the most, followed by department stores (6.1%) and food & beverages (4.6%), while sales of vehicles (-15.9%) and textile, clothing & personal goods (-3.8%) declined.

**Qatar: Trade balance narrows in March.** The trade surplus narrowed to QR 17.6 billion in March from QR 21.2 billion one year ago mostly on lower exports while imports increased. Exports fell 7.6% y/y to QR 28.5 billion, mainly due to a drop in gas shipments (-12.7%). On the other hand, imports rose 13.2% y/y to QR 10.9 billion, mainly coming from a jump in motor vehicle imports (+58%) and electrical apparatus (+18.5%), likely a seasonal occurrence coinciding with the delivery of new model year products. China remained the main trade partner, in addition to India, South Korea, and the United States.

**Egypt: Commercial banks to start allowing all importers to issue Letter of credit (LCs).** All importers will be able to get letters of credit (LCs) of all types including non-essential goods starting June 2024. This will also be applicable for fresh imports and for those importers who have goods stuck at ports. Commercial banks will start contacting importers soon to ask them to apply for the LCs. This will come after a long period whereby the Central Bank of Egypt has only been allowing imports of essential goods. The decision to allow for non-essential imports comes also in tandem with the better US dollar liquidity over the recent period. Additionally, the government has cleared most of the import backlog worth \$11 billion starting March 2024.

## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi (ADI)	9,063	0.23	-5.37
Bahrain (ASI)	2,027	0.12	2.79
Dubai (DFMGI)	4,161	0.30	2.48
Egypt (EGX 30)	26,011	5.57	4.75
GCC (S&P GCC 40)	704	1.57	-1.23
Kuwait (All Share)	7,043	0.30	3.31
KSA (TASI)	12,369	1.13	3.36
Oman (MSM 30)	4,775	0.30	5.78
Qatar (QE Index)	9,744	0.79	-10.03

<b>International</b>			
CSI 300	3,624	1.11	5.62
DAX	18,118	-0.24	8.16
DJIA	38,386	0.38	1.85
Eurostoxx 50	4,981	-0.51	10.16
FTSE 100	8,147	0.09	5.35
Nikkei 225	37,935	0.00	13.36
S&P 500	5,116	0.32	7.26

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	6.33	0.00	-19.69
Kuwait	4.25	-6.25	-6.25
Qatar	6.00	0.00	-25.00
UAE	5.31	10.50	-1.49
Saudi	6.28	5.47	4.58
LIBOR	5.59	-0.27	-0.46
SOFR	5.33	0.46	-0.19

Bond yields	%	Change (bps)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi 2027	5.20	1.20	88.0
Oman 2027	6.05	-4.80	89.2
Qatar 2026	5.29	1.50	77.5
Kuwait 2027	5.25	-0.20	91.3
Saudi 2028	5.35	-2.30	82.7

<b>International 10YR</b>			
US Treasury	4.61	-5.70	75.2
German Bund	2.53	-4.80	49.7
UK Gilt	4.29	-3.50	75.4
Japanese Gvt Bond	0.92	0.00	30.4

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.01	0.21
KWD per EUR	0.33	0.18	-0.21
USD per EUR	1.07	0.25	-2.87
JPY per USD	156.33	-1.26	10.83
USD per GBP	1.26	0.58	-1.32
EGP per USD	47.80	0.17	54.94

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	88.40	-1.23	14.75
KEC	89.63	-0.27	12.66
WTI	82.63	-1.45	15.32
Gold	2345.4	0.45	13.72

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

Source: Refinitiv / Haver