

Daily Economic Update

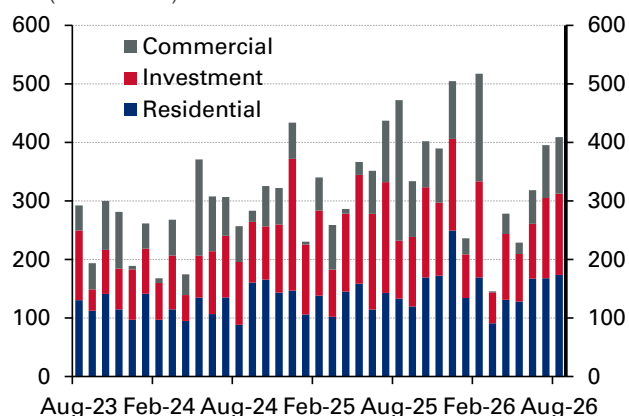
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Kuwait: Real estate sales extend their recovery in August. The Ministry of Justice has published its latest real estate sales data labelled "July 2026", which we assume in fact corresponds to August 2026 since July data was already reported last month. In all cases, these figures should be regarded as provisional and subject to revision. Total property sales continued to increase for the third consecutive month reaching KD409 million (+3.5% m/m; -13.3% y/y) in August, the highest level since February. The increase in August was supported by a continued improvement across all categories. Residential sales rose to KD174 million (+3.3% m/m; +30% y/y), the highest level since December 2025, extending the positive momentum seen in recent months and pointing to sustained underlying demand. Meanwhile, investment sales continued to recover at a moderate pace, reaching KD139 million (+1.3% m/m; +40% y/y), the highest level since February but remained slightly below the 2025 monthly average. Commercial sales, the market's most volatile component, also rose to KD97 million (+7.4% m/m), though were significantly below the corresponding period in 2025 (-60%). For the first eight months of 2026, property sales declined by 7.8% y/y to reach KD2.5 billion, reflecting weaker investment (-23%) and commercial (-12.7%) sales. In contrast, residential sales rose by 11.7%, as demand was supported by the price corrections seen over the past two years. August data suggest that the drag from the regional tensions has significantly dissipated, and market activity is steadily returning to pre-conflict levels after absorbing the shock. The rebound has been led by the residential segment while the recovery in the investment and commercial segments slightly more subdued.

Bahrain: Inflation steady at 3% y/y, the highest level since December 2022. Bahrain's CPI inflation rate remained unchanged at 3% y/y in August but eased on a monthly basis to 0.2% m/m from 0.3% in July. Price pressures increased in food and non-alcoholic beverages (8.1% y/y vs. 7.1% in July), recreation and culture (10.1% vs. 8.6%), and miscellaneous goods and services (3.2% vs. 2.4%). Moreover, deflation eased in alcoholic beverages and tobacco (-0.7% y/y vs. -1.9%), housing and utilities (-1.1% vs. -1.3%), furnishings and household equipment (-1.4% vs. -1.5%), and communication (-0.2% vs. -0.5%). In contrast, inflation moderated in transport (7.8% y/y vs. 9.1%) and restaurants and hotels (1.1% vs. 1.5%). Price rises remained unchanged in education at 2.8% and health at -0.1%.

Chart 1: Kuwait real estate sales

(KD million)



Source: Ministry of Justice

Chart 2: Bahrain CPI inflation

(% y/y)



Source: Ministry of Finance and National Economy

US: Fed Governor Cook sees AI investment driving up inflation and the labor market well positioned to handle an increase in rates.

Fed Governor Lisa Cook highlighted that while AI-linked productivity gains would provide modest disinflation over the next few years, she didn't expect them "to arrive in time to offset the broadening inflationary pressure later this year." She noted "some economy-wide [inflation] pressure from AI-fueled demand," and cited around 5% increase in electricity and water costs over the past year as an example. She expected "continued pressure on inflation from the AI buildout" and "from the pass-through of higher oil prices and supply chain disruptions associated with the conflict in the Middle East." On the labor market, Cook mentioned that it "appears to be well positioned to handle an increase in rates". Fed officials have recently grown more wary of higher inflation risks, and those views have pushed up market expectations for further interest rate increases over the coming months. The futures market currently indicates around 72% probability for a 25bps hike in October, while the probability for two hikes by year-end stands at around 60%.

Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	10,159	-0.40	1.67
Bahrain (ASI)	1,906	0.00	-7.78
Dubai (DFMGI)	5,998	0.30	-0.81
Egypt (EGX 30)	52,469	-1.06	25.44
GCC (S&P GCC 40)	738	0.25	0.82
Kuwait (All Share)	8,844	0.00	-0.71
KSA (TASI)	10,579	-0.96	0.84
Oman (MSM 30)	7,585	0.41	29.28
Qatar (QE Index)	9,410	-0.46	-12.57
International			
CSI 300	4,341	-2.22	-6.25
DAX	25,374	-0.13	3.61
DJIA	51,482	-0.67	7.11
Eurostoxx 50	6,301	-0.02	8.80
FTSE 100	10,685	-0.10	7.59
Nikkei 225	65,878	-0.73	30.87
S&P 500	7,684	-0.77	12.24

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	5.47	0.00	49.10
Kuwait	3.69	0.00	12.50
Qatar	4.46	8.27	48.27
UAE	4.31	-3.95	83.13
Saudi	5.21	14.10	35.05
SOFR	4.07	-0.07	42.29

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

Source: LSEG / Haver. *Percentage change in price from previous trading day on 7 August 2026.

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2030	5.55	11.55	159.0
Oman 2029	5.84	17.24	131.2
Qatar 2030	5.55	12.11	156.0
Kuwait 2030	4.99	9.12	84.8
Saudi 2030	5.73	12.73	147.0

International 10YR			
US Treasury	5.24	7.15	107.3
German Bund	3.64	2.23	78.8
UK Gilt	5.42	6.59	94.9
Japanese Gvt Bond	3.08	1.50	102.1

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	0.00	0.00
KWD per EUR	0.35	-0.17	-0.62
USD per EUR	1.14	-0.18	-3.19
JPY per USD	157.35	0.06	0.45
USD per GBP	1.33	0.01	-1.64
EGP per USD	52.05	0.81	9.23

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	105.28	0.92	73.02
KEC	106.51	-2.01	77.04
WTI	92.60	0.21	61.27
Gold	4135.4	-3.52	-4.40