

# Daily Economic Update



Economic Research Department  
6 July 2025

## **US: Trump's tariff letters to start going out on Monday; June's headline job growth higher-than-expected.**

President Trump mentioned that he signed letters specifying tariff rates for 12 countries that will be sent out on Monday, declining to name the specific countries. It was earlier mentioned that many more letters will be sent out, putting tariffs that could reach 70%, in the days running up to the July 9 deadline when the pause on the reciprocal tariffs is set to end. Meanwhile, June's headline job growth came at a relatively strong 147K, easily beating expectations of 110K. However, underlying data was not as strong given that government jobs (+73K) accounted for half of that increase while private payrolls increased by a lower-than-expected 74K, the weakest since October, and nearly half the increase seen in April and May. One of the goals of Trump's tariff strategy is to bring back manufacturing jobs to the US, but manufacturing jobs declined for the second straight month after being flat in April. While the unemployment rate unexpectedly ticked down to 4.1% from 4.2%, that was supported by a shrinking labor force with the participation rate edging down to 62.3% from 62.4%. Average hourly earnings increased by a lower-than-expected 0.2% m/m, putting y/y growth at 3.7%, the slowest since July 2024. Overall, June's jobs data, along with the recent trend in weekly continuous jobless claims, which have been elevated, indicate that the US job market continues to gradually loosen. Finally, Trump signed the GOP fiscal bill into law after the House passed the Senate-amended version with no changes, which will worsen an already unsustainable debt trajectory for the US. The passage of that bill by Trump's self-imposed deadline of 4 July, when most observers had been doubtful of that timeline, shows the strong command that Trump has over the Republican Party given that key disagreements remained between GOP congressman until the last minute, but then almost all fell in line when the time ran out.

**Japan: Household spending reach a near three-year high.** Real household spending rebounded in May, rising by 4.7% y/y, the highest since August 2022, up from a decline of -0.1% in the previous month. This strong print could be related to the Shunto 2025 wage increases and the impact of government measures aimed at improving household finances. Expenditures rose for transport and communication (25% y/y versus 2.4% in April), culture & recreation (11.1% versus 7.9%), furniture (9.3% versus -0.4%), and clothing (8.2% versus -2.1%). This rise came despite the continued acceleration in core inflation from the beginning of this year to 3.7% y/y in May. Meanwhile, chief trade negotiator Ryosei Akazawa held two phone meetings with the US commerce secretary ahead of the July 9 tariff deadline, under which the 10% across-the-board levy on Japan's shipments to the US is set to revert to 24%. Trade negotiations also included the 25% tariff on cars and auto parts and a 50% tariff on steel and aluminum.

**Egypt: PMI shows business activity fell further in June.** The non-oil PMI eased to 48.8 in June from 49.5 the previous month, signaling a faster decline in business activity in the fourth consecutive month of contraction. The weaker reading was largely due to a steeper decline in output (47.6 versus 49.5) and new orders (47.9 vs

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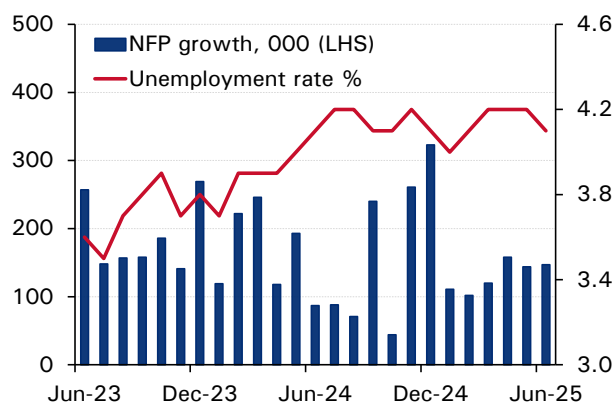
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49.1) which led to a drop in purchasing activity to the lowest level in almost a year. This came in line with continued demand weakness and a deterioration in 12-month ahead business confidence, with the latter falling to a historic low, also related to the spike in regional geopolitical tensions in June. The weaker demand and expectations led to a continued decline in employment. On the price front, the increase in input prices eased to the slowest pace in three months, while the pace of output price increases eased from May's seven month high.

**Qatar: Non-energy private sector activity ticks up in June.** The non-energy private sector PMI rose to 52 in June, improving from 50.8 in May, but remaining relatively soft compared to the series average of 52.2. Private sector employment remained the main driver in the improvement in activity with employment growth, while remaining unchanged from May, rising at the third fastest pace in the series history and fueling the second sharpest increase in wage inflation. Output returned to growth, but only at a moderate pace, with the wholesale and retail sector leading the rebound. Meanwhile, new orders fell, weighed by a contraction in manufacturing and construction sectors. Business sentiment 12-months ahead remained solidly positive but eased from May and fell below the long-run trend level, with confidence centering around sectors like real estate, construction and industry as well as international investment and tourism. On the price front, output prices declined for the 11th consecutive month, in line with the mostly sub-1% CPI readings in the past year including a -0.1% y/y print in May.

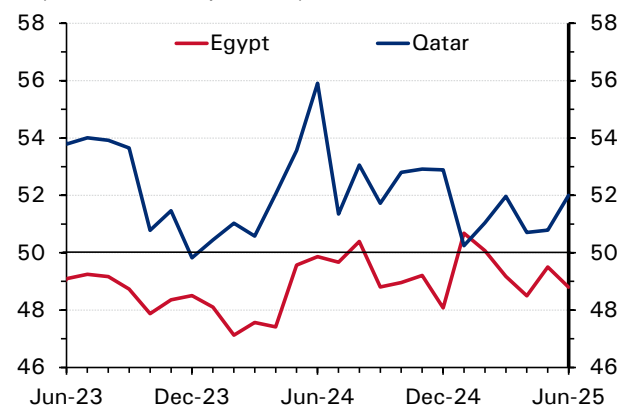
**Chart 1: US NFP growth & unemployment rate**



Source: Haver

**Chart 2: Egypt and Qatar PMI**

(index, >50=expansion)



Source: S&P Global, Haver

## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,982	0.01	5.97
Bahrain (ASI)	1,947	-0.17	-1.96
Dubai (DFMGI)	5,753	0.09	11.53
Egypt (EGX 30)	32,820	0.00	10.36
GCC (S&P GCC 40)	738	0.00	2.20
Kuwait (All Share)	8,399	0.22	14.08
KSA (TASI)	11,244	1.03	-6.58
Oman (MSM 30)	4,550	0.56	-0.58
Qatar (QE Index)	10,759	0.56	1.78
International			
CSI 300	3,982	0.36	1.20
DAX	23,787	-0.61	19.48
DJIA	44,829	0.00	5.37
Eurostoxx 50	5,289	-1.02	8.02
FTSE 100	8,823	0.00	7.95
Nikkei 225	39,811	0.06	-0.21
S&P 500	6,279	0.00	6.76
3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	5.64	0.00	-4.60
Kuwait	4.06	0.00	12.50
Qatar	4.65	0.00	-2.50
UAE	4.15	-3.99	-29.40
Saudi	5.39	0.00	-15.30
SOFR	4.28	-0.71	-2.65

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	4.16	0.00	-58.0
Oman 2027	4.76	0.00	-80.0
Qatar 2026	4.62	0.00	-17.0
Kuwait 2027	4.44	-1.00	-53.0
Saudi 2028	4.41	-1.00	-67.0
International 10YR			
US Treasury	4.35	0.00	-22.6
German Bund	2.57	-1.35	20.4
UK Gilt	4.56	1.75	-1.0
Japanese Gvt Bond	1.43	-1.00	35.5
Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.09	-0.96
KWD per EUR	0.35	-0.54	9.48
USD per EUR	1.18	0.19	13.76
JPY per USD	144.55	-0.26	-8.04
USD per GBP	1.37	0.00	9.12
EGP per USD	49.30	0.00	-2.93
Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	68.30	-0.73	-8.49
KEC	70.07	-0.04	-7.55
WTI	67.00	0.00	-6.58
Gold	3332.5	0.03	26.75

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

Source: LSEG / Haver