

Daily Economic Update

Economic Research Department
27 March 2024

US: Durable goods orders rebound, and house price rises accelerate. US durable goods orders rebounded by 1.4% m/m in February after January's decline (-6.9% m/m), helped by increases in transportation goods orders, which underscore the recovery, albeit tentative, in US manufacturing. But core capital goods (excluding defense and aircraft) shipments fell 0.4% m/m in February (+0.8% m/m in January), suggesting cautious business investment spending in Q1. Meanwhile, according to the Case Shiller index, the rise in US home prices accelerated to a 14-month high of 6% y/y in January (+5.6% y/y in December) as the supply of residential units struggles to keep pace with robust demand. Finally, the Conference Board's consumer confidence index in March was nearly unchanged at 104.7 from 104.8 in February (though weaker than the forecast of 107), as consumers seemed cautious about the political environment ahead of the presidential election later this year. However, signaling some optimism, consumers' perception of the job market was upbeat, while recession worries edged down from February.

Kuwait: Record refinery runs in January as KIPIC-KNPC merger close to being finalized. A record volume of crude was processed into refined products in January as Kuwait capitalizes on the full launch of the 615 kb/d Al-Zour refinery, the Middle East's second largest. According to official data sourced through JODI, refinery throughputs averaged 1.2 mb/d in January, an all-time high, which helped propel exports of refined products to their highest level since 2009 at 1.02 mb/d. Gasoil/diesel, kerosene and naptha were the three largest exports by volume in January. At this rate, average refined product export volumes in 2024 should surpass last year's high of 963 kb/d and translate into petroleum product export revenues in excess of the record \$25.5 billion generated in 2023. That said, these refined product gains have come at the expense of crude exports, with January's figure of 1.24 mb/d the lowest in more than twenty years. With Kuwait's crude production capped by OPEC+ policy, to tap into the higher value product exports, such as distillates, KPC has had to divert crude volumes destined for exports to the local refinery for processing into products. The trade-off has been worth it in terms of export revenues. Meanwhile, according to recent reports, Kuwait Integrated Petroleum Industries Company (KIPIC), which manages the Al-Zour refinery, is close to finalizing its merger with Kuwait National Petroleum Corporation (KNPC), downstream operator of Kuwait's other two refineries.

Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,318	-0.01	-2.71
Bahrain (ASI)	2,076	-0.01	5.29
Dubai (DFMGI)	4,246	-0.82	4.59
Egypt (EGX 30)	29,058	-0.98	17.01
GCC (S&P GCC 40)	725	-0.35	1.74
Kuwait (All Share)	7,399	0.05	8.54
KSA (TASI)	12,586	-0.56	5.17
Oman (MSM 30)	4,755	-0.57	5.35
Qatar (QE Index)	10,026	-0.66	-7.43
International			
CSI 300	3,544	0.51	3.28
DAX	18,384	0.67	9.75
DJIA	39,282	-0.08	4.23
Eurostoxx 50	5,064	0.40	12.00
FTSE 100	7,931	0.17	2.56
Nikkei 225	40,398	-0.04	20.72
S&P 500	5,204	-0.28	9.09
3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	6.36	-2.29	-16.72
Kuwait	4.31	6.25	0.00
Qatar	6.00	0.00	-25.00
UAE	5.22	-2.75	-11.07
Saudi	6.20	-2.99	-3.59
LIBOR	5.57	0.19	-2.20
SOFR	5.31	-0.49	-2.39

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	4.74	0.70	41.5
Oman 2027	5.61	0.00	45.0
Qatar 2026	4.85	1.60	32.9
Kuwait 2027	4.59	0.00	24.9
Saudi 2028	4.86	0.40	34.3

International 10YR			
US Treasury	4.23	-1.90	37.4
German Bund	2.35	-2.50	32.0
UK Gilt	3.97	-1.60	43.5
Japanese Gvt Bond	0.74	0.90	12.3

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	0.00	0.14
KWD per EUR	0.33	-0.06	0.76
USD per EUR	1.08	-0.06	-1.87
JPY per USD	151.55	0.09	7.44
USD per GBP	1.26	-0.07	-0.82
EGP per USD	47.77	0.89	54.85

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	86.25	-0.58	11.95
KEC	86.44	1.02	8.65
WTI	81.62	-0.40	13.91
Gold	2175.6	0.04	5.49

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

Source: Refinitiv / Haver