Daily
Economic Update

Economic Research Department
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Egypt: Credit growth still very strong, despite severe economic challenges. Domestic credit grew by 33.6% y/y in November 2023 versus 32.9% in October. On a monthly basis, growth picked up to 2.1% m/m in November from 1.7% in October. Credit to the private business sector grew by 21.8% y/y, almost unchanged from October's 21.7%, though improved to 1.9% m/m from 1.1% previously. Credit to the household sector was up 1.9% m/m versus 2.0% in October and unchanged at 21.9% y/y. Credit to the public sector came as an outlier growing at 40% y/y down from 45% in October but slowing to 0.3% m/m from 2.1% previously. All in all, despite the severe economic challenges facing Egypt, credit growth is still strong across all major sectors reflecting high levels of inflation, demand from stretched household and business finances and, in the case of high public sector borrowing, funding for large real estate and development projects. The central bank may leave interest rates unchanged at its policy meeting this week (at 19.75%), but further out is expected to tighten policy further, likely accompanying a further currency devaluation.

China: Hong Kong court orders liquidation of Evergrande. A Hong Kong judge yesterday ordered the liquidation of the world's most indebted property developer, Evergrande, which has over $300 billion in liabilities. The moribund property sector has seen both investment and sales of units shrink since mid-2022 following the introduction of new legislation that hampered developers' ability to borrow and finish projects under construction. The news will weigh further on already depressed sentiment in the Chinese real estate market, though could also be seen as a necessary first step in the recovery process for the sector if fallout from the liquidation process be contained.

Japan: Job market remains tight, boosting hope of sustained wage growth. The unemployment rate declined to 2.4% in December, down from 2.5% in the previous month and to its lowest level since January 2023. The ongoing tightness in the job market boosts hopes of achieving a positive inflation-wage cycle (addressing fears of a slip back into deflation), encouraging the Bank of Japan to end from its negative interest rate policy sometime this year.

Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,551	-0.18	-0.28
Bahrain (ASI)	2,041	1.17	3.52
Dubai (DFMGI)	4,171	0.17	2.73
Egypt (EGX 30)	29,228	2.10	17.70
GCC (S&P GCC 40)	733	0.46	2.90
Kuwait (All Share)	7,307	-0.33	7.19
KSA (TASI)	12,253	-0.09	2.38
Oman (MSM 30)	4,592	-0.09	1.72
Qatar (QE Index)	10,152	-1.89	-6.27
International			
CSI 300	3,304	-0.90	-3.71
DAX	16,942	-0.12	1.13
DJIA	38,333	0.59	1.71
Eurostoxx 50	4,639	0.08	2.60
FTSE 100	7,633	-0.03	-1.30
Nikkei 225	36,027	0.77	7.66
S&P 500	4,928	0.76	3.31

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	6.49	-0.29	-3.72
Kuwait	4.31	0.00	0.00
Qatar	6.00	0.00	-25.00
UAE	5.28	5.14	-5.11
Saudi	6.32	4.68	9.07
LIBOR	5.57	-0.48	-1.87
SOFR	5.32	-0.22	-1.40

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	4.59	1.10	27.0
Oman 2027	5.46	-5.00	29.9
Qatar 2026	4.76	-1.70	23.9
Kuwait 2027	4.44	2.20	10.2
Saudi 2028	4.91	-0.30	38.5
International 10YR			
US Treasury	4.09	-6.90	23.1
German Bund	2.24	-5.90	20.9
UK Gilt	3.88	-9.10	33.7
Japanese Gvt Bond	0.73	1.00	11.0

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	0.02	0.14
KWD per EUR	0.33	-0.18	0.76
USD per EUR	1.08	-0.18	-1.84
JPY per USD	147.49	-0.45	4.56
USD per GBP	1.27	0.04	-0.17
EGP per USD	30.85	-0.23	0.00

Commodities	$/unit	Change (%)	
		Daily	YTD
Brent crude	82.40	-1.38	6.96
KEC	83.71	NA	5.22
WTI	76.78	-1.58	7.16
Gold	2025.2	0.42	-1.80

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

Source: Refinitiv / Haver