

# Daily Economic Update

Economic Research Department  
30 April 2025

**US: Surging goods trade deficit to hit Q1 GDP growth, job indicators mixed but consumer confidence tanks.** The US merchandise trade deficit in March expanded to a record high, rising about 10% m/m (76% y/y) as importers front-loaded purchases ahead of the rollout of reciprocal tariffs earlier this month. The cumulative 3-month deficit expanded by 43% q/q in Q125, likely pulling GDP growth down significantly during the quarter. As a reminder, the Q1 GDP growth figure will be released later today, with consensus forecasts pointing to a near-stalling in the economy at 0.4% q/q (annualized) versus a solid 2.4% rise in Q424. Meanwhile, March's JOLTS report indicated a mixed yet robust state of the labor market, with job openings dropping to a six-month low (7.2mn from 7.5mn in Feb) but layoffs decreasing to their lowest since June 2024 and the quits rate ticking up to 2.1%, a several months high. But the Conference Board Consumer Confidence index fell to its lowest since the early pandemic days of 86 in April from March's 93.9, as expectations about employment, future income and business conditions deteriorated sharply, corroborating well with other weak consumer sentiment measures lately. Despite an easing number of vacancies, the labor market has remained robust but the uncertainty surrounding tariffs and other government policies has severely dented business and consumer confidence, which may abruptly derail momentum over the coming months. Meanwhile, President Trump escalated the rhetoric against China saying that they "deserve" the tariffs that he imposed on them. This dashes prior unsubstantiated claims that de-escalatory negotiations are underway between the two countries. In addition, Trump renewed his criticism of Fed Chair Powel mentioning that "he is not really doing a good job" and that "I know much more than he does about interest rates."

**China: Manufacturing activity flips back into slump and service activity also slows.** The official China NBS manufacturing PMI fell to its weakest since December 2023 at 49 in April after staying above the neutral-50 mark for two consecutive months and coming in worse than expected. The contraction in April's manufacturing activity, especially with the gauge of new export orders falling to a 28-month low, underscores early signs of damage from the ongoing trade war with the US, which, if not resolved soon, may further pressure Chinese factory output. Meanwhile, the service and construction sectors also performed weaker than expected as the non-manufacturing PMI eased to 50.4 from March's 50.8, signaling a broad-based slowdown in the economy. This should further encourage the Chinese government authorities to ramp up their stimulus measures to support the economy, besides the ones related to monetary policy that are touted to be announced soon.

**Japan: Leading indicators point to a slow recovery in Q1.** Industrial production fell for the first time in two months in March, coming at -0.3% y/y, down from a marginal increase of 0.1% in the previous month, due to a decline in passenger car output and amid rising concerns about US tariffs. Meanwhile, retail sales saw a 3.1% y/y increase in March, up from downwardly revised growth of 1.3% in February, but slower than the market consensus (3.5%) on higher sales of machinery & equipment and clothing & personal goods. However, the overall pace of consumption remains tepid as households continue to grapple with stagnant real wages and

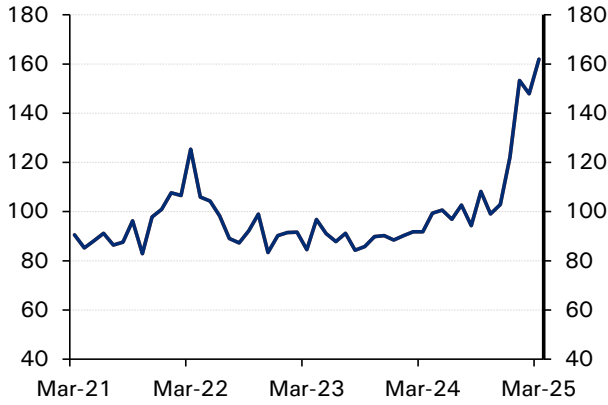
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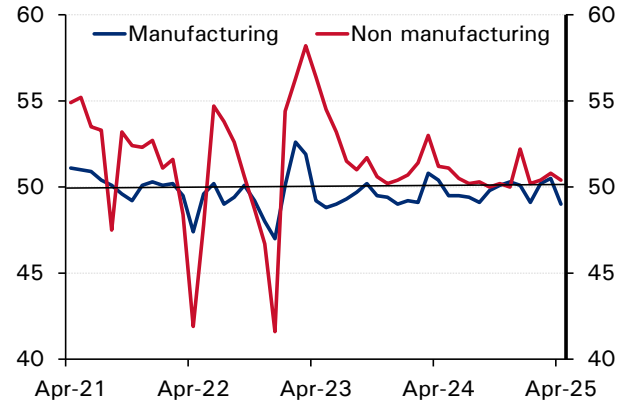
persistent inflationary pressures, which have led to an erosion of disposable income. The movements above suggest that Japan’s economic recovery remained fragile in Q125.

**Chart 1: US goods trade deficit**  
(\$ bn)



Source: Haver

**Chart 2: China NBS PMI**  
(index, above 50 expansion)



Source: Haver

## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi (ADI)	9,528	0.63	1.15
Bahrain (ASI)	1,903	0.55	-4.19
Dubai (DFMGI)	5,241	0.48	1.60
Egypt (EGX 30)	32,043	0.09	7.74
GCC (S&P GCC 40)	728	0.03	0.88
Kuwait (All Share)	7,918	0.21	7.54
KSA (TASI)	11,746	-0.33	-2.41
Oman (MSM 30)	4,298	0.14	-6.09
Qatar (QE Index)	10,325	0.21	-2.33
<b>International</b>			
CSI 300	3,775	-0.17	-4.06
DAX	22,426	0.69	12.64
DJIA	40,528	0.75	-4.74
Eurostoxx 50	5,162	-0.17	5.43
FTSE 100	8,463	0.55	3.55
Nikkei 225	35,840	0.00	-10.16
S&P 500	5,561	0.58	-5.45

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	5.63	0.00	-5.57
Kuwait	4.00	0.00	6.25
Qatar	4.65	0.00	-2.50
UAE	4.14	4.06	-30.26
Saudi	5.35	5.92	-19.03
SOFR	4.28	-0.07	-2.55

Bond yields	%	Change (bps)	
		Daily	YTD
<b>Regional</b>			
Abu Dhabi 2027	4.10	-5.00	-64.0
Oman 2027	5.13	4.00	-43.0
Qatar 2026	4.38	-2.00	-41.0
Kuwait 2027	4.43	-1.00	-54.0
Saudi 2028	4.63	-1.00	-45.0

<b>International 10YR</b>			
US Treasury	4.17	-3.47	-40.1
German Bund	2.49	-1.45	13.0
UK Gilt	4.48	-2.40	-8.5
Japanese Gvt Bond	1.31	0.00	23.5

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.19	-0.64
KWD per EUR	0.35	-0.44	9.46
USD per EUR	1.14	-0.32	9.97
JPY per USD	142.34	0.23	-9.44
USD per GBP	1.34	-0.25	7.15
EGP per USD	50.75	-0.10	-0.08

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	64.25	-2.44	-13.92
KEC	67.42	-3.05	-11.04
WTI	60.42	-2.63	-15.76
Gold	3318.8	-0.41	26.23

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

Source: LSEG / Haver