

Daily Economic Update

Economic Research Department
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Oil: Brent futures score weekly gain on tighter fundamentals. Brent futures rallied into the weekend, closing Friday up 2.5% w/w at \$89.5/bbl and breaking a run of two consecutive weekly declines. US inventories data leaned bullish, with commercial crude stocks falling 6.4 mb in the week ending April 18, driven by the largest weekly increase in exports this year (+453 kb/d to 5.2 mb/d). The US also passed additional sanctions on Iranian oil that would attempt to limit its purchase by China, the enforcement of which may be less aggressive than expected given the Biden administration's desire to minimize retail pump price rises in an election year. Tighter market balances this year from stronger than anticipated global oil demand and prolonged supply cuts by OPEC+ remain the focal point for markets. OPEC+ will decide on whether to extend or unwind its voluntary production cuts at the June 1 ministerial meeting.

US: Fed meeting, job data and PMI surveys to attract attention this week. After weak GDP data and hotter inflation prints, the market's focus will now shift to the Fed's upcoming meeting this week, in which the bank is widely expected to keep interest rates unchanged in the 5.25-5.5% range. However, keenly watched will be any hawkish shift in the tone and any hints of the interest rate trajectory in relation to further potential rate cut delays. On the data front, non-farm payrolls for April are due out this Friday, with a forecast of another solid 243K gains, though slower than 303K in March, and a stable and low unemployment rate of 3.8%. The JOLTS report is also due this Wednesday, which could show some pullback in the number of job openings in March. In other key data, ISM PMI surveys will be released for manufacturing on Wednesday (expected at 50.1 in April from 50.3 in March) and services on Friday (at 52 from 51.4), which could show decent momentum at the beginning of Q2 despite Q1's soft GDP data.

Eurozone: Flash GDP and inflation data due this week. This week will see the release of flash estimates for Eurozone GDP and inflation that will play a role in shaping expectations for the key upcoming ECB interest rate decision in June. Economic growth is forecast to remain subdued at 0.1% y/y in the first quarter of 2024, unchanged from the previous quarter. Inflation is also expected to remain steady at 2.4% y/y in April, matching November's 28 month-low, with monthly inflation projected to decelerate to 0.6% in April from 0.8% the previous month. Core inflation, which excludes volatile items including fuel and food, is forecast to ease further to 2.8% in April from 2.9% in March, a ninth consecutive monthly decline.

Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,042	n/a	-5.59
Bahrain (ASI)	2,024	0.36	2.67
Dubai (DFMGI)	4,148	n/a	2.18
Egypt (EGX 30)	24,640	-4.93	-0.78
GCC (S&P GCC 40)	693	0.04	-2.76
Kuwait (All Share)	7,022	-0.06	3.00
KSA (TASI)	12,232	-0.19	2.21
Oman (MSM 30)	4,761	1.00	5.46
Qatar (QE Index)	9,667	0.31	-10.74

International			
CSI 300	3,584	n/a	4.46
DAX	18,161	n/a	8.41
DJIA	38,240	n/a	1.46
Eurostoxx 50	5,007	n/a	10.73
FTSE 100	8,140	n/a	5.26
Nikkei 225	37,935	n/a	13.36
S&P 500	5,100	n/a	6.92

3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	6.33	0.00	-19.69
Kuwait	4.31	0.00	0.00
Qatar	6.00	0.00	-25.00
UAE	5.21	0.00	-11.99
Saudi	6.22	-0.60	-0.89
LIBOR	5.59	n/a	-0.19
SOFR	5.32	n/a	-0.65

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	5.19	n/a	86.8
Oman 2027	6.10	n/a	94.0
Qatar 2026	5.28	n/a	76.0
Kuwait 2027	5.26	n/a	91.5
Saudi 2028	5.37	n/a	85.0

International 10YR			
US Treasury	4.67	n/a	80.9
German Bund	2.57	n/a	54.5
UK Gilt	4.33	n/a	78.9
Japanese Gvt Bond	0.92	n/a	30.4

Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.06	0.29
KWD per EUR	0.33	-0.23	-0.39
USD per EUR	1.07	0.00	-3.12
JPY per USD	158.33	0.00	12.24
USD per GBP	1.25	0.00	-1.89
EGP per USD	47.72	-0.27	55.11

Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	89.50	n/a	16.17
KEC	89.87	n/a	12.96
WTI	83.85	n/a	17.03
Gold	2334.8	n/a	13.21

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

Source: Refinitiv / Haver