

Daily Economic Update

Economic Research Department
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China: GDP growth exceeds government's target. The Chinese economy expanded 5.2% y/y in Q4 2023, aided by robust growth in retail sales and industrial production but nevertheless missing market consensus forecasts of 5.3%. For the full year, GDP also grew 5.2%, exceeding the government's target of "around 5%" despite a property sector slowdown. Meanwhile, monthly data for December painted an unclear picture of underlying economic conditions as growth in both industrial production and fixed asset investment edged up to 6.8% and 3% y/y, respectively, while retail sales data moderated from November (7.4% y/y compared to 10.1%). China's statistical bureau also announced the resumption of the publication of youth unemployment data, having been suspended back in June 2023 after soaring above 21% with the agency citing the need to review the methodology used in collecting the data. The new jobless rate for 16–24-year-olds, modified to exclude working students, registered 14.9% in December. Softer economic data and debt-laden local governments are reportedly pushing Beijing to issue \$139 billion in new sovereign debt to shore up the economy and will likely set the tone for the economic agenda in the National People's Congress in March.

UK: Wage growth slows sharply, and unemployment remains unchanged. Average earnings excluding bonuses grew by 6.6% y/y in the 3 months leading up to November 2023, matching market expectations and well below the 7.2% y/y recorded for the 3 months to October. Earnings including bonuses saw a similar trend, growing by 6.5% y/y slightly lower than the 6.8% expected by the market. The latter figure also came in lower than 7.2% y/y recorded for October. Meanwhile, the unemployment rate was unchanged at 4.2% in the 3 months to November and matching expectations. The number of unemployed individuals rose by 16k to 1.46 million and employment levels increased by 73K to 33.05mn. The market expects that the new data would support the possibility that the Bank of England might cut interest rates by 125bps this year and subsequently sterling weakened slightly versus the US dollar yesterday. Markets expect the first rate cut to come in May.

UAE: Dubai inflation eased in November 2023 on lower transportation costs. Consumer price inflation in Dubai eased to 3.3% y/y in November 2023 from 4.3% the previous month, bringing the average inflation rate in 2023 year-to- November to 3.4%. Transportation costs were the main contributor to softening inflationary pressures as it flipped into a decline of -4.4% y/y compared with an increase of +4.7% in October while the restaurants & hotels segment saw smaller increases (+1.8% versus +2.9% in October). On the other hand, food & beverages rose by +4.2% whereas inflation in housing rents were relatively stable at +6.1% in November.

Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,761	-0.17	1.92
Bahrain (ASI)	1,986	0.02	0.74
Dubai (DFMGI)	4,082	-0.46	0.56
Egypt (EGX 30)	26,938	2.62	8.48
GCC (S&P GCC 40)	726	-0.60	1.87
Kuwait (All Share)	7,266	0.03	6.58
KSA (TASI)	12,078	-0.37	0.92
Oman (MSM 30)	4,600	-0.28	1.90
Qatar (QE Index)	10,498	-0.34	-3.07
International			
CSI 300	3,301	0.61	-3.80
DAX	16,572	-0.30	-1.07
DJIA	37,361	-0.62	-0.87
Eurostoxx 50	4,447	-0.18	-1.66
FTSE 100	7,558	-0.48	-2.26
Nikkei 225	35,619	-0.79	6.44
S&P 500	4,766	-0.37	-0.08
3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	6.51	-0.31	-1.14
Kuwait	4.31	0.00	0.00
Qatar	6.25	25.00	0.00
UAE	5.17	6.63	-15.70
Saudi	6.20	0.69	-2.90
LIBOR	5.56	-1.86	-3.35
SOFR	5.32	0.25	-1.49

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	4.46	2.90	13.9
Oman 2027	5.24	-4.40	8.4
Qatar 2026	4.62	3.70	10.1
Kuwait 2027	4.39	-1.10	5.4
Saudi 2028	4.84	6.10	31.5
International 10YR			
US Treasury	4.07	11.60	20.6
German Bund	2.21	1.60	18.5
UK Gilt	3.80	0.30	26.3
Japanese Gvt Bond	0.59	3.40	-2.4
Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	0.17	0.20
KWD per EUR	0.33	-0.52	1.21
USD per EUR	1.09	-0.68	-1.47
JPY per USD	147.18	0.99	4.34
USD per GBP	1.26	-0.70	-0.73
EGP per USD	30.85	-0.26	0.00
Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	78.29	0.18	1.62
KEC	79.98	-0.20	0.53
WTI	72.4	-0.39	1.05
Gold	2026	-1.01	-1.76

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

Source: Refinitiv / Haver