Macroeconomy

Kuwait: Credit growth rose to 4%; CBK kept key rate unchanged; imports rose

- Credit growth improved to 4.0% y/y in April despite a flat month.
- Money supply (M2) growth was steady at 0.9% y/y in April despite a decline in deposits during the month.
- Inflation was steady at 2.7% y/y in May; a cooler real estate market has reduced pressures on housing rent.
- Oil prices slipped slightly in May, with Kuwait’s crude price averaging $47.8 per barrel during the month.
- Imports soared in 1Q17, rising by 11% y/y as the decline in consumer imports moderated.
- Consumer confidence slipped in May, as the Ara index fell to 99.
- Equity prices were mostly steady in May and June; the weighted index was up 7.3% ytd through 20 June.
- Interbank rates rose 6 bps after the CBK kept its discount rate unchanged while raising the repo rate by 25 bps.

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Source: Central Bank of Kuwait

Money supply (M2) growth was steady at 0.9% y/y in April despite a decline in deposits during the month.

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Inflation was steady at 2.7% y/y in May; a cooler real estate market has reduced pressures on housing rent in recent months.

Source: Central Statistical Bureau; *NBK estimates
Oil output was little changed in May, averaging 2.7 million barrels per day, in line with Kuwait’s OPEC commitment.

source: OPEC

Kuwait is likely to have registered a deficit of KD 6.3 billion in FY16/17 (19% of GDP); it should narrow to 14% in FY17/18.

source: Ministry of Finance, NBK estimates; *estimates/forecasts

The trade surplus was steady at KD 1.6 billion in 1Q17 despite better oil prices as OPEC cuts reduced crude exports.

source: Central Statistical Bureau

Oil prices slipped slightly in May, with Kuwait’s crude price averaging $47.8 per barrel during the month.

source: Ministry of Finance, Kuwait Petroleum Corporation

CBK reserves were steady in April at KD 9.5 billion, or an estimated 12 months of imports.

source: Central Bank of Kuwait, NBK estimates

Imports soared in 1Q17, rising by 11% y/y as the decline in consumer imports moderated.

source: Central Statistical Bureau
Consumer confidence slipped in May, as the Ara index fell to 99.

Source: Ara Research & Consultancy

Stock market

Equity prices were mostly steady in May and June, as the weighted index held on to a gain of 7.3% ytd through 20 June.

Source: Boursa Kuwait, Thomson Reuters Datastream

Interbank rates

Interbank rates rose 6 bps after the CBK kept its discount rate unchanged while raising its overnight repo rate by 25 bps.

Source: Central Bank of Kuwait, Thomson Reuters Datastream

Card transactions

Consumers’ card spending (POS) continued to show easing growth, which fell to 7.1% y/y in 1Q17.

Source: Central Bank of Kuwait

Real estate sales

Real estate sales were exceptionally strong again in May, coming in at KD 289 million; prices continued to hold.

Source: Ministry of Justice

Exchange rate

The trade-weighted value of the dinar continued to ease as the dollar slipped; the index was down 2.4% ytd through 20 June.

Source: Central Bank of Kuwait, Thomson Reuters Datastream