

# Chartbook

NBK Economic Research Department | 20 February 2023

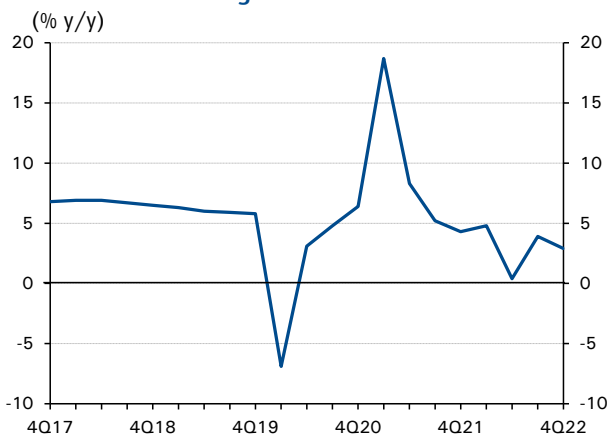
## China

### Government looks to post-Covid economic revival after weak 2022

> Mohammad Al-Shehri  
Assistant Economist  
+965 2229 5373  
Mohammadalshehri@nbk.com

- GDP growth slowed to 3% in 2022, a multi-decade low, as Covid-Zero restrictions hampered the economy, though the revival of activities post-reopening is set to push growth to 5% in 2023.
- Business activity surveys showed a robust recovery in January, particularly in the non-manufacturing sector.
- Home prices continued to decline as offtake for residential properties remained soft.
- Consumer prices jumped in January, driven by higher demand during the Lunar New Year.
- Growth in new bank loans rose in January as improving prospects spurred demand for loans.
- The central bank kept key rates unchanged in January, though low inflation gives it room to support growth.
- Equities shed some of their gains in February as the reopening-fueled rally faded.

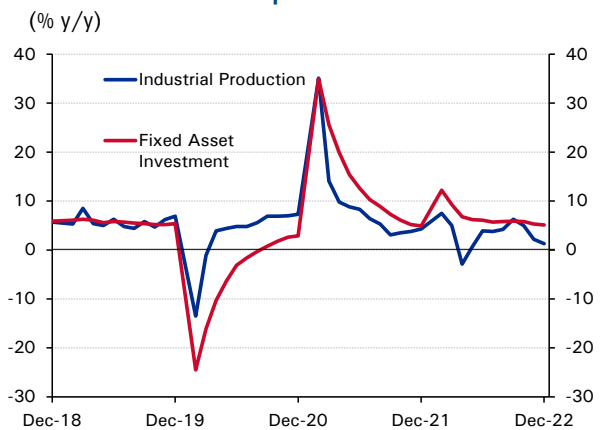
▶ **Chart 1: Real GDP growth**



GDP growth stood at 3% in 2022, its slowest rate since the 1970s as Covid-Zero policy weighed on economic activity.

Source: Haver Analytics

▶ **Chart 2: Industrial output and fixed investment**

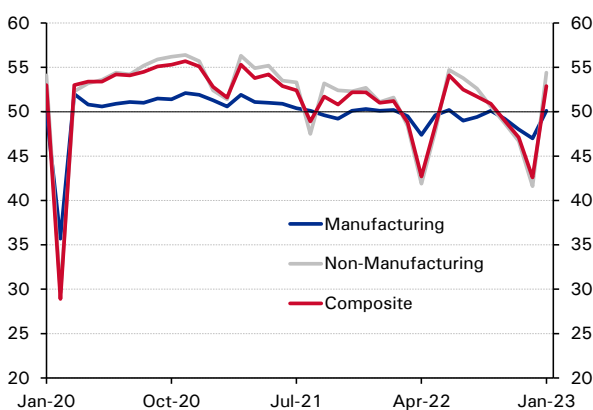


Both Industrial production (+1.3% y/y) and fixed asset investment growth (+5.1% y/y) eased in December.

Source: Haver Analytics

▶ **Chart 3: Purchasing Managers' Index surveys**

(index; above 50 = expansion)

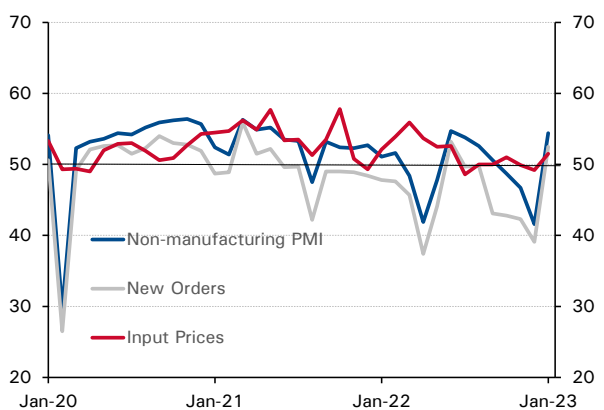


Business activity readings recovered sharply after stringent health measures were removed...

Source: Haver Analytics

▶ **Chart 4: Non-Manufacturing PMI**

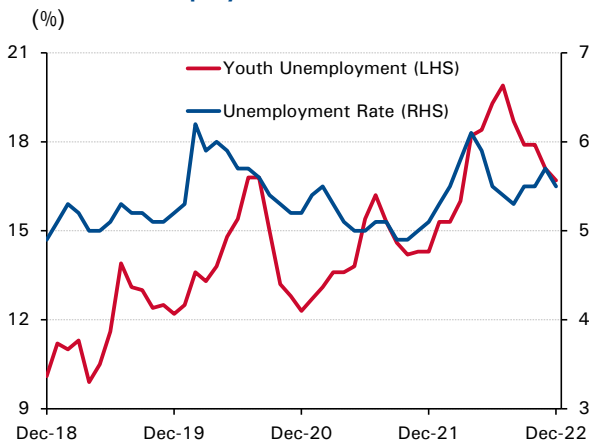
(index; above 50 = expansion)



...with a notable surge in the non-manufacturing sector as new orders soared.

Source: Haver Analytics

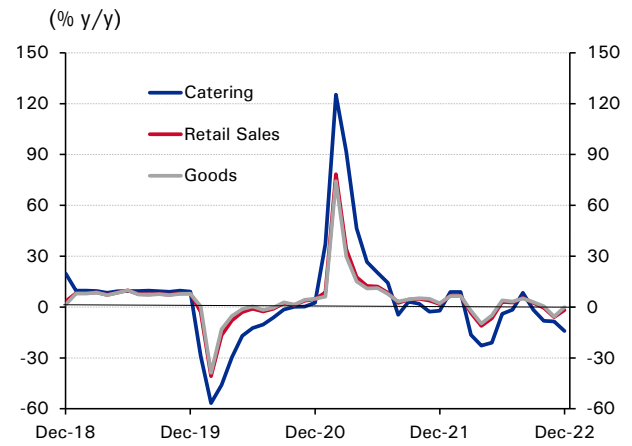
▶ **Chart 5: Unemployment rate**



Both overall and youth unemployment rates fell in December to 5.5% and 16.7%, respectively, as activities started to normalize.

Source: Haver Analytics, official sources

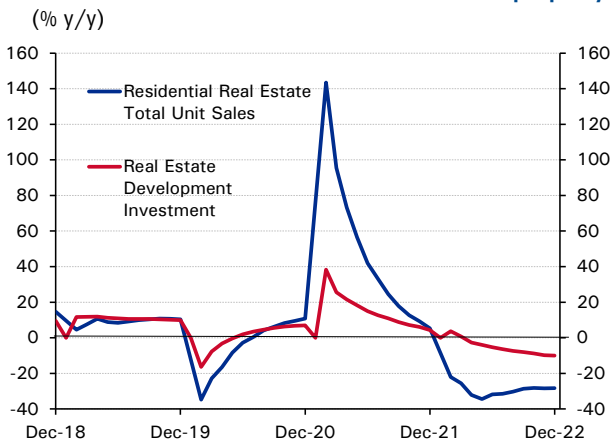
▶ **Chart 6: Retail sales**



Retail sales picked up in December (+5% m/m) after restrictions were lifted, lessening the y/y decline to -1.8% y/y from -5.9%.

Source: Haver Analytics

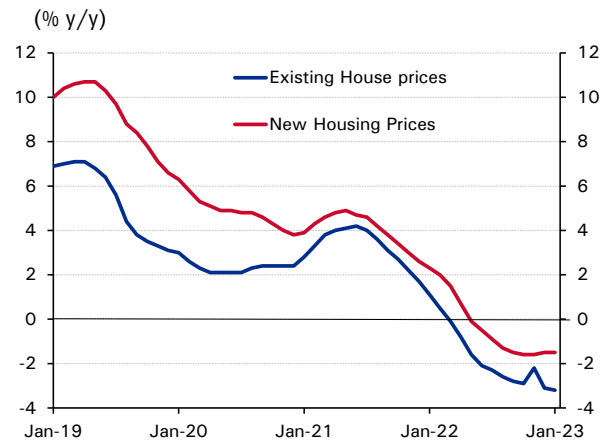
▶ **Chart 7: Sales & investments in residential property**



Residential house sales declined 28% y/y in December along with decreased investment in the sector (-10% y/y).

Source: Haver Analytics

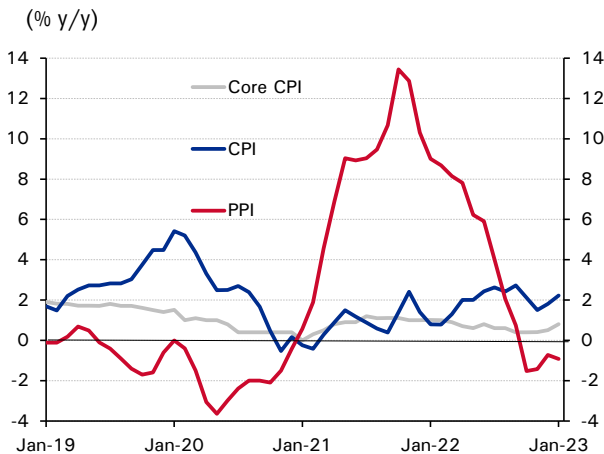
▶ **Chart 8: House prices in 70 medium & large cities**



Existing home prices fell 3.2% y/y in January, with demand for houses yet to show signs of a meaningful recovery.

Source: Haver Analytics

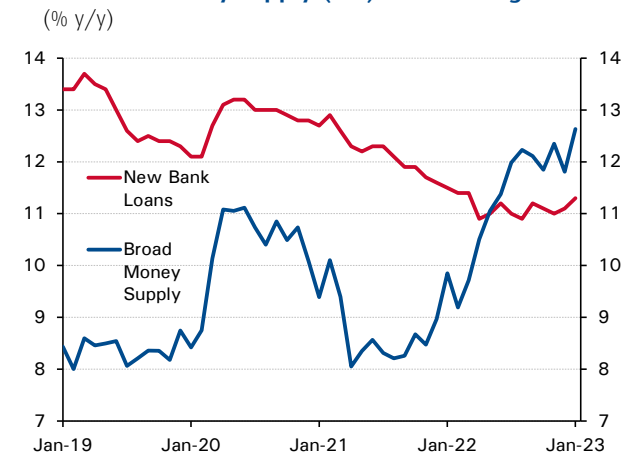
▶ **Chart 9: Consumer and producer price inflation**



CPI inflation was up 2.1% y/y in January as consumption recovered. Producer prices remained in deflation (-0.8% y/y).

Source: Haver Analytics

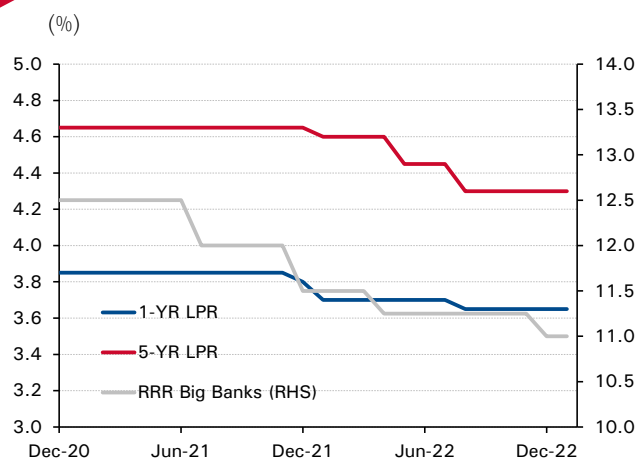
▶ **Chart 10: Money supply (M2) and credit growth**



Money supply rose to its highest level on record (12.6% y/y) in January while new bank loans grew as demand surged.

Source: Haver Analytics

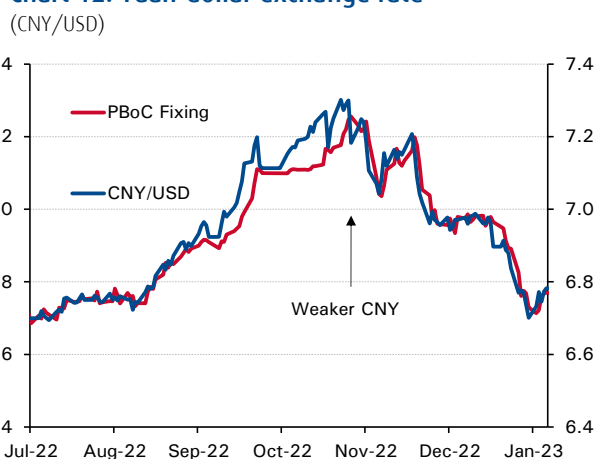
▶ **Chart 11: Interest rates**



The central bank remained watchful, opting to inject liquidity into money markets via its medium term facilities instead.

Source: Haver Analytics

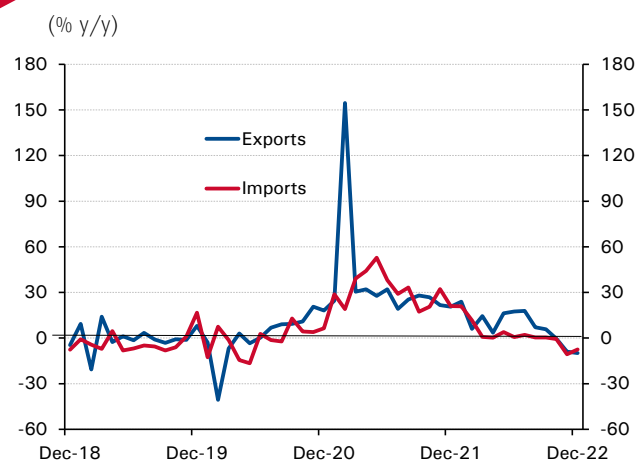
▶ **Chart 12: Yuan-dollar exchange rate**



The yuan depreciated 1.6% mtd against the dollar in February amid dollar strength.

Source: Haver Analytics

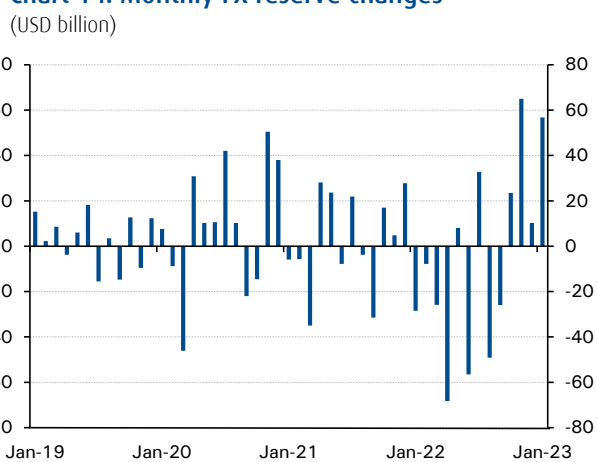
▶ **Chart 13: International trade**



Softening global demand pushed exports down 9.9% y/y in December. Imports also fell by 7.5% on tepid local demand.

Source: Haver Analytics

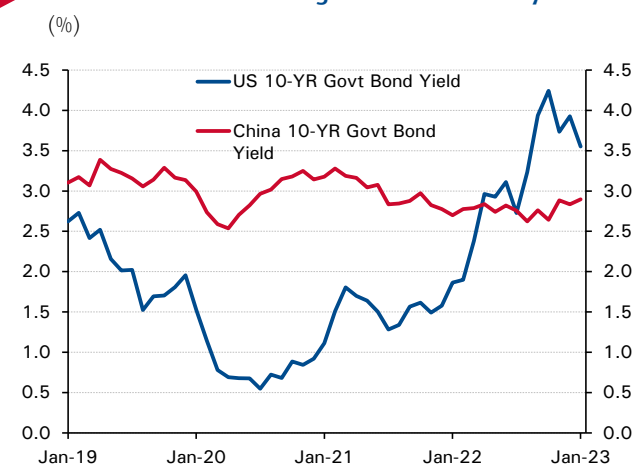
▶ **Chart 14: Monthly FX reserve changes**



Foreign currency reserves increased by \$57 billion in January, helped by inflows and dollar weakness.

Source: Haver Analytics

▶ **Chart 15: China and US government bond yields**



Yields on US government bonds fell in January amid Fed dovishness. Chinese 10-year bond yields steadied.

Source: Haver Analytics

▶ **Chart 16: Stock market**



Equities pared some of their re-opening-driven rallies, with the CSI down 1.5% mtd in February.

Source: Haver Analytics

## Head Office

### Kuwait

National Bank of Kuwait SAKP  
Shuhada Street,  
Sharq Area, NBK Tower  
P.O. Box 95, Safat 13001  
Kuwait City, Kuwait  
Tel: +965 2222 2011  
Fax: +965 2229 5804  
Telex: 22043-22451 NATBANK  
[www.nbk.com](http://www.nbk.com)

## International Network

### Bahrain

National Bank of Kuwait SAKP  
Zain Branch  
Zain Tower, Building 401, Road 2806  
Seef Area 428, P. O. Box 5290, Manama  
Kingdom of Bahrain  
Tel: +973 17 155 555  
Fax: +973 17 104 860

National Bank of Kuwait SAKP  
Bahrain Head Office  
GB Corp Tower  
Block 346, Road 4626  
Building 1411  
P.O. Box 5290, Manama  
Kingdom of Bahrain  
Tel: +973 17 155 555  
Fax: +973 17 104 860

### United Arab Emirates

National Bank of Kuwait SAKP  
Dubai Branch  
Latifa Tower, Sheikh Zayed Road  
Next to Crown Plaza  
P.O.Box 9293, Dubai, U.A.E  
Tel: +971 4 3161600  
Fax: +971 4 3888588

National Bank of Kuwait SAKP  
Abu Dhabi Branch  
Sheikh Rashed Bin Saeed  
Al Maktoom, (Old Airport Road)  
P.O.Box 113567, Abu Dhabi, U.A.E  
Tel: +971 2 4199 555  
Fax: +971 2 2222 477

### Saudi Arabia

National Bank of Kuwait SAKP  
Jeddah Branch  
Al Khalidiah District,  
Al Mukmal Tower, Jeddah  
P.O Box: 15385 Jeddah 21444  
Kingdom of Saudi Arabia  
Tel: +966 2 603 6300  
Fax: +966 2 603 6318

### Lebanon

National Bank of Kuwait  
(Lebanon) SAL  
BAC Building, Justinien Street, Sanayeh  
P.O. Box 11-5727, Riad El-Solh  
Beirut 1107 2200, Lebanon  
Tel: +961 1 759700  
Fax: +961 1 747866

### Iraq

Credit Bank of Iraq  
Street 9, Building 187  
Sadoon Street, District 102  
P.O. Box 3420, Baghdad, Iraq  
Tel: +964 1 7182198/7191944  
+964 1 7188406/7171673  
Fax: +964 1 7170156

### Egypt

National Bank of Kuwait - Egypt  
Plot 155, City Center, First Sector  
5th Settlement, New Cairo  
Egypt  
Tel: +20 2 26149300  
Fax: +20 2 26133978

### United States of America

National Bank of Kuwait SAKP  
New York Branch  
299 Park Avenue  
New York, NY 10171  
USA  
Tel: +1 212 303 9800  
Fax: +1 212 319 8269

### United Kingdom

National Bank of Kuwait  
(International) Plc  
Head Office  
13 George Street  
London W1U 3QJ  
UK  
Tel: +44 20 7224 2277  
Fax: +44 20 7224 2101

### France

National Bank of Kuwait France SA  
90 Avenue des Champs-Elysees  
75008 Paris  
France  
Tel: +33 1 5659 8600  
Fax: +33 1 5659 8623

### Singapore

National Bank of Kuwait SAKP  
Singapore Branch  
9 Raffles Place # 44-01  
Republic Plaza  
Singapore 048619  
Tel: +65 6222 5348  
Fax: +65 6224 5438

### China

National Bank of Kuwait SAKP  
Shanghai Office  
Suite 1003, 10th Floor, Azia Center  
1233 Lujiazui Ring Road  
Shanghai 200120, China  
Tel: +86 21 6888 1092  
Fax: +86 21 5047 1011

## NBK Capital

### Kuwait

NBK Capital  
34h Floor, NBK Tower  
Shuhada'a street, Sharq Area  
PO Box 4950, Safat, 13050  
Kuwait  
Tel: +965 2224 6900  
Fax: +965 2224 6904 / 5

### United Arab Emirates

NBK Capital Limited - UAE  
Precinct Building 3, Office 404  
Dubai International Financial Center  
Sheikh Zayed Road  
P.O. Box 506506, Dubai  
UAE  
Tel: +971 4 365 2800  
Fax: +971 4 365 2805

## Associates

### Turkey

Turkish Bank  
Valikonagl CAD. 7  
Nisantasi, P.O. Box. 34371  
Istanbul, Turkey  
Tel: +90 212 373 6373  
Fax: +90 212 225 0353