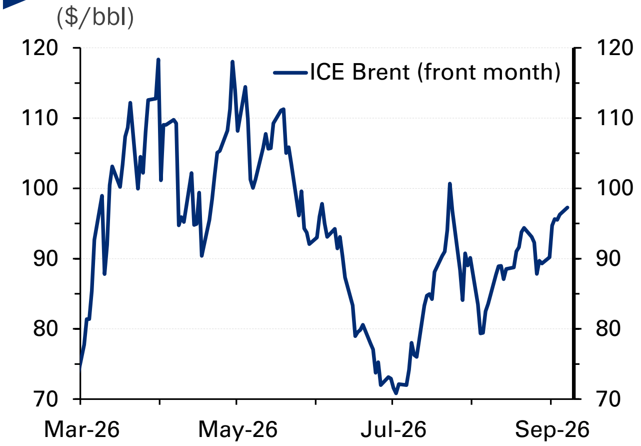
PUBLIC

Daily
Economic Update

Economic Research Department
7 September 2026

Oil: Prices rise after US and Iran resume military strikes. Brent rallied sharply last week, ending Friday with a weekly gain of 7.8% to $96.3/bbl, the highest in six weeks , and has risen further this morning to $97.3 as renewed military exchanges between the US and Iran reignited concerns over oil supply security in the Gulf. Escalating attacks on vessels attempting to transit the Strait of Hormuz have been a key driver of the latest gains, with multiple incidents reported throughout the week. Consequently, vessel traffic through the Strait has fallen sharply, with Argus Media reporting that only three vessels crossed the waterway on Thursday, the lowest level in several months. Hostilities have broadened beyond commercial shipping. IRGC forces reportedly targeted US naval vessels over the weekend, prompting retaliatory US strikes on three Iranian oil tankers. These developments suggest that tensions remain elevated and continue to pose risks to both maritime security and regional energy infrastructure. Meanwhile, as was expected, OPEC+7 left production targets for October unchanged, with Saudi Arabia at 10.478 mb/d and Kuwait at 2.676 mb/d, to name two. With several key producers still facing war-related export constraints, actual output is expected to remain well below quota levels in the near term. Nevertheless, the decision preserves scope for higher production once disruptions ease and export routes normalize.

Chart 1: Oil prices*



Source: LSEG *reflecting today's data

Egypt: Finance Ministry eyes $500mn Panda bonds to lower borrowing costs. The Ministry of Finance plans to issue Panda bonds worth around $500mn in the Chinese market during FY26/27, as part of efforts to diversify external financing sources and secure cheaper funding. The ministry is negotiating with several development banks to obtain a partial or joint credit guarantee, which would improve the bond's credit rating and help reduce its borrowing cost by leveraging the stronger ratings of the guarantors. The proceeds will be used to finance green and sustainable projects included in the state budget, in line with the government's strategy of linking external borrowing to projects with economic and environmental benefits. The planned issuance is also aimed at accessing new funding markets, extending debt maturities, and lowering debt servicing costs. The Panda bond is part of the ministry's broader plan to raise $3bn from international markets in FY26/27.

Global: US August CPI, ECB meeting, and China August trade data key matters this week. In the US, attention will be on a crucial CPI report for August (Friday), with the consensus forecast indicating a steady but elevated headline rate of 3.4% y/y, and a slightly softer core rate of 2.4% from July's 2.5%. The CPI, especially the core rate, is pivotal in shaping the FOMC outcome next week: a hot reading may seal the deal on a 25bps rate hike while a mild reading will likely push the FOMC to keep rates on hold. PPI inflation for August (Thursday) is seen rising to 0.3% m/m for both headline and core from July's 0% and 0.2%, respectively. In the Eurozone, on Thursday, the ECB is widely expected to raise the deposit facility rate by 25bp to 2.5% following a pause in July, also providing updated macroeconomic projections. In the UK, GDP growth in July (Friday) is forecast at 0% m/m, in signs of stalling momentum versus a solid 0.3% in June. New chancellor Healey will speak today and may present some update on broader economic plans ahead of the Autumn budget in late October. Also today, August's Lloyds Bank house price index is expected to increase by 0.2% m/m after being unchanged in July. In China, attention will be on August's trade (Tuesday) and inflation figures (Wednesday), which are expected to show a larger trade surplus than in July and a pickup in CPI inflation to 0.9% y/y in August from 0.5% in July. Finally, in Japan, revised Q2 GDP will be released on Tuesday and August PPI inflation on Friday, with the latter expected to accelerate to 7.4% y/y from 7.2% in July.

PUBLIC

Daily market indicators

Stock markets	Index	Change (%) Daily	YTD
Regional			
Abu Dhabi (ADI)	9,977	n/a	-0.15
Bahrain (ASI)	1,937	-0.07	-6.25
Dubai (DFMGI)	5,885	n/a	-2.69
Egypt (EGX 30)	56,676	0.72	35.49
GCC (S&P GCC 40)	750	0.20	2.42
Kuwait (All Share)	8,840	-0.09	-0.76
KSA (TASI)	11,069	0.32	5.51
Oman (MSM 30)	7,632	0.11	30.09
Qatar (QE Index)	9,734	-0.31	-9.56
International			
CSI 300	4,548	n/a	-1.77
DAX	26,046	n/a	6.35
DJIA	53,414	n/a	11.13
Eurostoxx 50	6,393	n/a	10.39
FTSE 100	10,831	n/a	9.06
Nikkei 225	65,021	n/a	29.16
S&P 500	7,719	n/a	12.75

3m interbank rates	%	Change (bps) Daily	YTD
Bahrain	5.18	0.00	19.54
Kuwait	3.56	0.00	0.00
Qatar	4.10	-5.00	12.50
UAE	3.96	0.00	48.87
Saudi	4.87	0.96	1.00
SOFR	3.81	n/a	16.17

Bond yields	%	Change (bps) Daily	YTD
Regional			
Abu Dhabi 2030	4.86	n/a	90.5
Oman 2029	5.14	n/a	60.8
Qatar 2030	4.93	n/a	94.9
Kuwait 2030	4.98	n/a	84.4
Saudi 2030	5.06	n/a	79.3
International 10YR			
US Treasury	4.78	n/a	62.0
German Bund	3.34	n/a	48.3
UK Gilt	5.13	n/a	65.8
Japanese Gvt Bond	2.90	n/a	84.1

Exchange rates	Rate	Change (%) Daily	YTD
KWD per USD	0.31	-0.05	-0.28
KWD per EUR	0.36	-0.10	1.26
USD per EUR	1.16	0.00	-1.12
JPY per USD	156.24	0.00	-0.26
USD per GBP	1.35	0.00	0.36
EGP per USD	50.75	-0.29	6.51

Commodities	$/unit	Change (%) Daily	YTD
Brent crude	96.28	n/a	58.23
KEC	98.10	n/a	63.07
WTI	91.48	n/a	59.32
Gold	4429.8	n/a	2.41

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

Source: LSEG / Haver. *Percentage change in price from previous trading day on 7 August 2026.