

# Daily Economic Update

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**China: Government plans stock market rescue package.** Chinese equity markets gained on Tuesday after media reports revealed that the authorities are contemplating additional measures to support the stock market. According to the reports, the government is weighing a two trillion yuan (\$278 billion) rescue package after the mainland benchmark CSI 300 sank to its lowest level in five years. Stock market performance has suffered in the wake of a slump in the property market and slowing economic growth, while political tensions with the US have caused unease among some international investors. Government efforts to stem the decline in the past twelve months ranged from cutting stamp duties on stock trades to asking the largest brokerage firm "Citic Securities" to halt short selling. The efforts thus far, however, have not been sufficient in re-igniting investor confidence. In the previous 2015 stock rout, China followed a similar playbook, including injecting three trillion yuan to buy shares directly, but the decline only ended a year later.

**Japan: Trade balance flipped into surplus in December.** The goods trade balance registered in December its first surplus since September 2023 at JPY 62 billion, compared with a deficit of JPY 1,498 billion a year ago. The surplus came on strong growth in exports of 9.8% y/y to reach JPY 9,648 billion, led by motor vehicles (+36% y/y), benefiting from a weak yen. On the other hand, the decline in imports eased to -6.8% y/y from -11.9% in November to reach JPY 9,586 billion, but registering its ninth consecutive month of decline on tumbling fuel imports (-17.7%) and medical products (-25%).

**Japan: Composite PMI moved to expansionary territory in January.** The Au Jibun Bank Composite PMI rose to 51.1 in January from a neutral stance one month before. The services sector took the lead with its flash reading increasing to 52.7 from 51.5 in December as growth in new business picked up while foreign demand increased for the first time in five months. In addition, the manufacturing PMI flash estimate stood at 48.0, little changed from 47.9 in December, but pressured by a contraction in factory activity for the eighth consecutive month on lower output and new orders.

**Europe: Consumer confidence falls in the first month of the year.** Euro Area consumer confidence ended lower in January at -16.1 down from -15.1 in December 2023 and coming in lower than market expectations (-14.3). The drop in confidence occurred as inflation in the region rose to 2.9% y/y in December, up from 2.4% in November.

## Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,653	-0.28	0.79
Bahrain (ASI)	1,996	0.08	1.24
Dubai (DFMGI)	4,108	0.64	1.18
Egypt (EGX 30)	27,587	-1.65	11.09
GCC (S&P GCC 40)	727	0.05	2.12
Kuwait (All Share)	7,313	0.52	7.28
KSA (TASI)	12,105	-0.04	1.15
Oman (MSM 30)	4,625	0.38	2.46
Qatar (QE Index)	10,362	-0.07	-4.32
International			
CSI 300	3,232	0.40	-5.81
DAX	16,627	-0.34	-0.74
DJIA	37,905	-0.25	0.57
Eurostoxx 50	4,466	-0.32	-1.23
FTSE 100	7,486	-0.03	-3.20
Nikkei 225	36,518	-0.08	9.12
S&P 500	4,865	0.29	1.99
3m interbank rates	%	Change (bps)	
		Daily	YTD
Bahrain	6.52	0.00	-0.83
Kuwait	4.31	0.00	0.00
Qatar	6.08	8.33	-16.67
UAE	5.15	-2.74	-17.88
Saudi	6.21	1.32	-2.16
LIBOR	5.59	0.61	-0.67
SOFR	5.32	0.28	-1.28

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	4.56	-0.60	23.4
Oman 2027	5.33	0.00	17.2
Qatar 2026	4.67	-3.20	14.8
Kuwait 2027	4.43	-2.40	8.7
Saudi 2028	4.90	-1.90	37.6
International 10YR			
US Treasury	4.14	4.80	28.2
German Bund	2.35	9.10	32.0
UK Gilt	3.99	8.30	45.0
Japanese Gvt Bond	0.64	-1.20	2.4
Exchange rates	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	0.02	0.18
KWD per EUR	0.33	-0.30	0.94
USD per EUR	1.09	-0.28	-1.68
JPY per USD	148.36	0.18	5.18
USD per GBP	1.27	-0.15	-0.33
EGP per USD	30.85	0.00	0.00
Commodities	\$/unit	Change (%)	
		Daily	YTD
Brent crude	79.55	-0.64	3.26
KEC	81.99	2.71	3.054
WTI	74.37	-1.09	3.80
Gold	2023.7	0.19	-1.88

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

Source: Refinitiv / Haver