

Daily Economic Update

Economic Research Department
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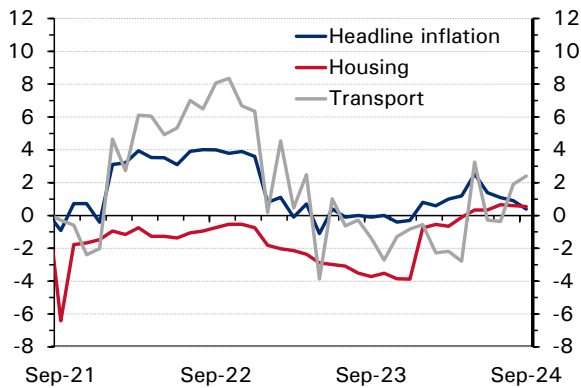
US: Presidential election next week to shape US economic outlook with global spillovers. With one week until election day, the outcome of the US presidential race remains on a knife-edge with the latest opinion polls showing no clear winner and readings both nationally and in key swing states within the margin of error. In terms of economic policies, the stark differences in the candidates' proposals will be key in shaping the US economic outlook with spillovers globally. Former President Trump is proposing overall tax cuts, sweeping tariff hikes (10-20% on most goods and 60% on Chinese imports), and much stricter immigration control. Vice President Harris is calling for tax increases on corporates and high-income households, beefing up social/welfare payments, and expanding some key tax credits. Neither candidate has a clear plan to address the spiraling US debt, though under Trump's more expansive fiscal policies, government debt levels would turn out higher, estimated by the non-partisan Committee for a Responsible Federal Budget at \$7.5 trillion above the baseline by 2035 versus \$3.5 trillion under Harris. Of course, many of the candidates' proposals might not live to be actual policy post-election, given that most would require the approval of Congress, whose election outcome may be different than the presidential one.

Saudi Arabia: Flagship investment conference to commence in Riyadh. The eighth edition of the Future Investment Initiative (FII) conference will take place in Riyadh on 29-31 October. The conference, aimed to promote the vast projects and investment opportunities under the Kingdom's Vision 2030 push to diversify and transform the economy, will be host to key global investment players. The conference is an opportunity to draw in foreign investment to help meet the target of \$100 billion in FDI by 2030, equivalent to around 6% of GDP, from \$25.5 billion (2.4% of GDP) in 2023. After nearly \$18 billion in deals were signed in last year's conference, organizers expect a higher figure of \$28 billion this year. Amid reduced oil revenues and projected fiscal deficits over the medium term, the government is likely to moderate its pace of spending, with the focus shifting to the near trillion-dollar Public Investment Fund and stronger FDI to deliver sustained domestic investment growth.

Bahrain: Inflation drops to 0.4% y/y as food prices go down. The consumer price index decreased by 0.3% m/m in September, softening annual inflation to 0.4% from 0.9% in August. The food and non-alcoholic beverages saw a steep contraction of 1.6% m/m while the housing category fell by 0.2%. So far, inflation has averaged 1.1% y/y in the first nine months of the year, compared with 0.2% y/y for the same period last year, and we expect the average for all of 2024 to be around 1.2%.

Chart 1: Bahrain CPI inflation

(% y/y)



Source: Haver

Daily market indicators

Stock markets	Index	Change (%)	
		Daily	YTD
Regional			
Abu Dhabi (ADI)	9,308	1.13	-2.82
Bahrain (ASI)	2,012	0.56	2.06
Dubai (DFMGI)	4,537	1.29	11.75
Egypt (EGX 30)	30,774	-0.13	23.92
GCC (S&P GCC 40)	706	1.48	-0.92
Kuwait (All Share)	7,097	0.13	4.10
KSA (TASI)	12,053	-0.13	0.72
Oman (MSM 30)	4,795	-0.33	6.22
Qatar (QE Index)	10,504	-0.53	-3.01
International			
CSI 300	3,964	0.20	15.54
DAX	19,532	0.35	16.60
DJIA	42,388	0.65	12.47
Eurostoxx 50	4,970	0.54	9.91
FTSE 100	8,286	0.45	7.14
Nikkei 225	38,606	1.82	15.36
S&P 500	5,824	0.27	22.09
3m interbank rates			
	%	Change (bps)	
		Daily	YTD
Bahrain	6.02	-0.32	-50.36
Kuwait	3.94	0.00	-37.50
Qatar	6.00	0.00	-25.00
UAE	4.70	6.32	-62.48
Saudi	5.71	10.30	-52.69
SOFR	4.60	-1.26	-72.68

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

Source: LSEG / Haver

Bond yields	%	Change (bps)	
		Daily	YTD
Regional			
Abu Dhabi 2027	4.42	6.00	9.9
Oman 2027	5.26	6.00	10.3
Qatar 2026	4.60	3.00	8.1
Kuwait 2027	4.39	2.00	5.0
Saudi 2028	4.65	1.00	12.9
International 10YR			
US Treasury	4.28	4.02	42.1
German Bund	2.28	-0.60	25.5
UK Gilt	4.25	2.05	71.5
Japanese Gvt Bond	0.97	3.00	35.4
Exchange rates			
	Rate	Change (%)	
		Daily	YTD
KWD per USD	0.31	-0.06	-0.34
KWD per EUR	0.33	0.23	0.23
USD per EUR	1.08	0.18	-2.03
JPY per USD	153.28	0.64	8.66
USD per GBP	1.30	0.09	1.90
EGP per USD	48.65	-0.06	57.70
Commodities			
	\$/unit	Change (%)	
		Daily	YTD
Brent crude	71.42	-6.09	-7.29
KEC	72.28	-2.26	-9.15
WTI	67.38	-6.13	-5.96
Gold	2742.9	0.07	33.00

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