



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

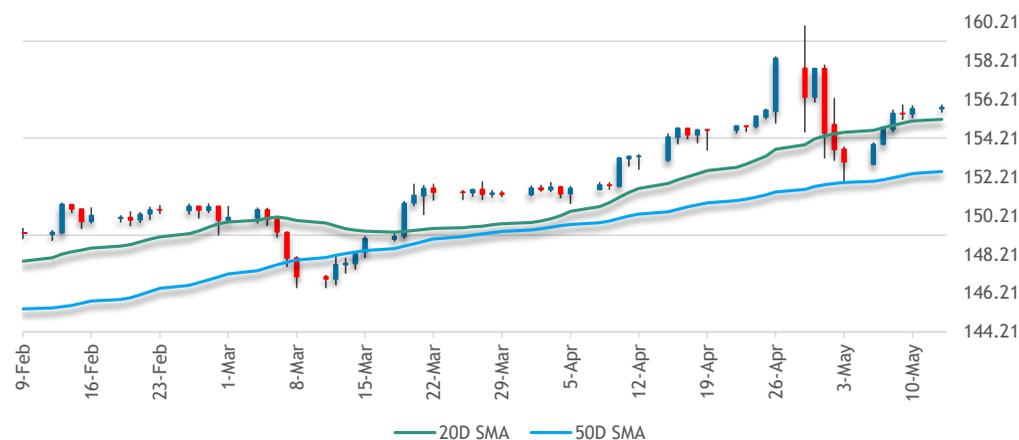
KFH Treasury



Report produced on
Mon, 13-May-2024

Forex Market

JAPANESE YEN



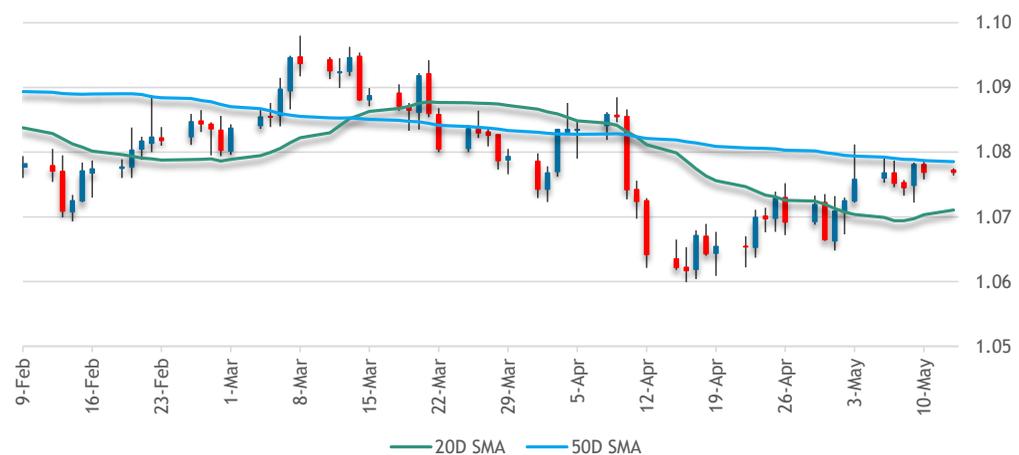
CLOSE **155.72** 1M %chg **1.66%** 3M %chg **4.30%**

USD/JPY capped pre-156.00, JPY crosses capped too - Reuters

13 May 2024 07:33:50 PM

- * USD/JPY a tad choppy after the Tokyo fix, from 155.96 to 155.50 EBS
- * Not much has changed though with BOJ still buying JGBs though amount less
- * USD/JPY likely to remain on hold ahead of 156.00 pending moves in US rates
- * Tech supports at 155.69 55-HMA, 155.32-56 hourly Ichi cloud
- * Large option expiries today below between 155.00-05, 155.15-25
- * Large above between 156.50-55, Japanese exporters in wait too from @156.00
- * Japanese importer, other bids still eyed on dips as was case at 155.50
- * JPY crosses mostly mirrored USD/JPY moves, holding near recent highs
- * EUR/JPY 167.53-96 EBS, GBP/JPY 194.75-195.26, AUD/JPY 102.59-95

EURO



CLOSE **1.0769** 1M %chg **0.25%** 3M %chg **-0.12%**

EUR/USD-Capped by a cluster of key resistance, hawkish Fed before key US data

10 May 2024 09:46:52 PM

- * EUR/USD's 1.0791 Fri high hit 200-DMA, dn TL and 50% Fibu hurdles
- * Mostly hawkish Fed speakers also weighed on Bund-Tsy yld spreads
- * Markets trying to reconcile recent weaker US data
- * Focus now on the May 15 U.S. CPI and retail sales reports
- * And whether the 41.6bp of Fed cuts priced in by yr-end are likely
- * ECB seen set to cut rates in June, likely twice more before yr-end
- * If next week's US data are dovish, next EUR/USD hurdles are by 1.0835
- * This week and last Fri's 1.0724 lows are key support if the data are hot

Forex Market

POUND STERLING



CLOSE
1.2521

1M %chg
-0.08%

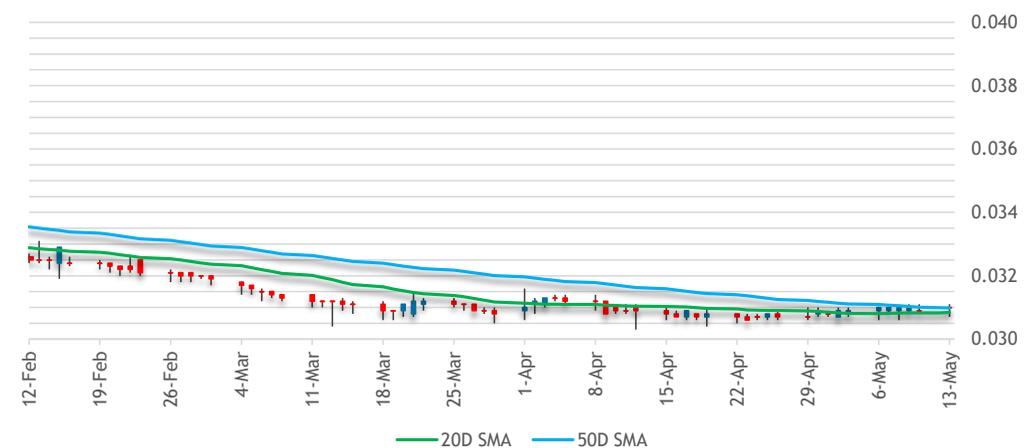
3M %chg
-0.78%

COMMENT-Sterling needs help to prolong post-BoE rebound - Reuters

10 May 2024 06:31:53 PM

GBP/USD ran into resistance near the 200-DMA on Friday, capping its rally from the previous session's rise from post-BoE lows, and fundamentals indicate that rebound sparked by soft U.S. jobless claims -- may be short-lived. Rate expectations on LSEG's IRPR pages indicate an earlier and deeper UK policy easing path than in the U.S., with an inaugural cut priced at 50% for June and fully discounted by August. In contrast, the market assigns an 80% chance of a Fed cut for September. Looking at the full year, the BoE is seen cutting 57bp, while the market is projecting the Fed to ease by 44bp. While the odds for a September Fed cut have risen, boosting the pound, increasingly dovish tones emanating from the BoE are likely to cap GBP gains.

TURKISH LIRA



CLOSE
0.0309

1M %chg
0.00%

3M %chg
-4.92%

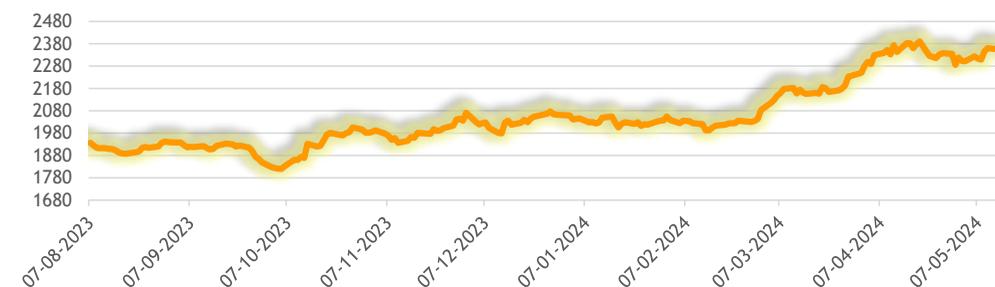
Turkey unemployment dips to 8.6% in March, back at October low - Reuters

10 May 2024 11:09:08 AM

May 10 (Reuters) - Turkey's unemployment rate fell 0.1 percentage points month-on-month to 8.6% in March, official data showed on Friday, back at the low touched in October last year. The Turkish Statistical Institute data showed the labour force participation rate rose to 54.2% in March, while a seasonally adjusted measure of labour under-utilisation fell 0.4 percentage points to 24.1%.

Gold, US Treasury & Dollar Index

GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.49

1M %chg

-1.23%

3M %chg

7.57%

PRECIOUS-Gold prices tick down as traders brace for key US inflation data - Reuters News

13 May 2024 09:01:03 AM

May 13 (Reuters) - Gold prices inched down as investors awaited key U.S. inflation reports, which could shed more light on the timing of the Federal Reserve's first rate cut. Spot gold fell 0.2% at \$2,354.77 per ounce. Prices hit a two-week high in the previous session. U.S. gold futures fell 0.6% to \$2,361. "It just won't disinflate as quickly as doves hope. And that could result in some choppy trade for gold prices around these highs, at a time of year usually associated with negative returns for gold prices." Traders expect the U.S. central bank to start its easing cycle in September. Lower interest rates reduce the opportunity cost of holding gold. But comments by Fed officials last week were varied as speakers debated whether interest rates were high enough. A jump in consumers' inflation expectations, revealed in a survey on Friday, could further complicate the conversation. Spot silver fell 0.4% to \$28.03 per ounce, platinum inched down 0.1% to \$992.89 and palladium was unchanged at \$978.03.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Corp Goods Price MM	JP	13-May 05:20	Apr	0.2	0.3
Corp Goods Price YY	JP	13-May 05:20	Apr	0.8	0.8
Claimant Count Unem Chng*	GB	14-May 11:30	Apr	10.9	
ZEW Survey Expectations*	EU	14-May 14:30	May	43.9	
NFIB Business Optimism Idx	US	14-May 15:30	Apr	88.50	
PPI ex Food/Energy/Tr MM*	US	14-May 18:00	Apr	0.2	
PPI exFood/Energy YY*	US	14-May 18:00	Apr	2.4	2.4
PPI Final Demand MM*	US	14-May 18:00	Apr	0.2	0.3
PPI Final Demand YY*	US	14-May 18:00	Apr	2.1	2.2
PPI exFood/Energy MM*	US	14-May 18:00	Apr	0.2	0.2
PPI ex Food/Energy/Tr YY*	US	14-May 18:00	Apr	2.8	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0781	1.0789	1.0758	1.0769	-0.11%
GBP	1.2522	1.254	1.2499	1.2521	-0.01%
JPY	155.46	155.9	155.24	155.72	0.17%
TRY	0.0309	0.0311	0.0308	0.0309	-0.32%
Dollar Idx	105.205	105.402	105.141	105.301	0.07%
Brent	84.21	84.53	82.7	82.79	-1.30%
WTC	81.26	81.55	79.8	79.81	-1.30%
Gold	2345.76	2378.23	2344.81	2360.1436	0.61%
KWSE Index	7194.99	7241.09	7165.72	7179.45	1.39%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.38	3M	4.25
SW	3.75	6M	4.50
1M	4.00	1Y	4.69

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30730

-0.10%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	27-Jul-'23	3.88	3.63	0.25
1W Repo Rate	27-Jul-'23	4.13	3.88	0.25
1M Repo Rate	27-Jul-'23	4.38	4.38	0.00
KWD ON Rate	27-Jul-'23	10.00	10.00	0.00
Discount Rate	27-Jul-'23	4.25	4.00	0.25

LIBOR RATES

Tenor	Value	Tenor	Value
ON	0.00	3M	5.58
SW	0.00	6M	5.71
1M	5.43	1Y	0.00
2M	0.00		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	26-Jul-'23	5.50	4.25	1.25
ECB Refinancing Rate	11-Apr-'24	4.50	4.50	0.00
BOE Bank Rate	09-May-'24	5.25	5.25	0.00
BOJ Prime Rate	10-May-'24	1.70	1.60	0.10
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50

KEY INTERNATIONAL STORIES

US consumer sentiment at six-month low; inflation expectations rise - Reuters News

WASHINGTON, May 10 (Reuters) - U.S. consumer sentiment sagged to a six-month low in May as households worried about the higher cost of living and unemployment, but economists cautioned against drawing conclusions on the implications for the economic outlook. The larger-than-expected drop in sentiment reported by the University of Michigan on Friday was across all age, income and education groups as well political party affiliation. The University of Michigan's preliminary reading on the overall index of consumer sentiment came in at 67.4 this month, the lowest level since last November, compared to a final reading of 77.2 in April.

UK employers plan 4% pay rises in coming year, survey shows

LONDON, May 13 (Reuters) - British employers expect to raise wages by 4% over the coming 12 months, a similar rate to three months ago, according to an industry survey that suggested businesses were less willing to take on higher labour costs. The Chartered Institute of Personnel and Development said expected median pay settlements in the private sector for the coming 12 months was unchanged at 4%, while expectations in the public sector remained at 3%. British consumer price inflation slowed to 3.2% in March and the Bank of England expects it to have eased further to around 2% in April after a reduction in regulated energy prices.

Canada job gains blow past forecasts, dampening bets on June rate cut

OTTAWA, May 10 (Reuters) - Canada's economy added five times the number of jobs that were forecast for April and unemployment rate unexpectedly held at 6.1%, data showed, dampening market bets for a June rate cut. The economy added a net 90,400 jobs while analysts polled had forecast a gain of 18,000 jobs and the unemployment rate to rise to 6.2%. The gains, largest since the 110,000 jobs added in January 2023 - were a mix of part-time and full-time work, and entirely in the services-producing industries, data from Statistics Canada showed. Average hourly wage growth for permanent employees slowed to annual rate of 4.8% from 5% in March.

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Australia business conditions soften in April as employment growth slows

SYDNEY, May 13 (Reuters) - Australian business conditions softened in April as gains in sales and employment slowed in the face of decade-high interest rates, a survey showed, while price pressures showed further signs of abating. The survey from the National Australia Bank revealed its index of business conditions fell 2 points to +7, and are now around its long-run average. That was driven by a sharp decline in the employment index to just +2, from +7 before. The Reserve Bank of Australia left interest rates unchanged at 4.35% for a fourth straight meeting last week but has said that it is vigilant on any upside inflation risks after a surprisingly strong first-quarter inflation report.

Bank of Mexico holds key interest rate, sees inflation higher for longer

MEXICO CITY, May 9 (Reuters) - The Bank of Mexico, as expected, held its benchmark interest rates steady at 11.00%, in a unanimous decision by its governing board, as persistent inflation in Latin America's second-largest economy remains above the bank's target range. All the analysts polled by Reuters had predicted the board would hold the rate after its much-anticipated 25 basis-point rate cut in late March brought the rate down from a record high of 11.25%. Banxico has taken a more hawkish approach to monetary easing than some of its Latin American neighbors, and some board members have expressed caution in recent weeks about future rate cuts as inflation remains stubborn.

Oil extends decline on signs of weak fuel demand, strong dollar

SINGAPORE, May 13 (Reuters) - Oil prices extended declines on Monday amid signs of weak fuel demand and as comments from U.S. Federal Reserve officials dampened hopes of interest rate cuts, which could slow growth and crimp fuel demand in the world's biggest economy. Brent crude futures LCOc1 slid 26 cents, or 0.3%, to \$82.53 a barrel while U.S. West Texas Intermediate crude futures CLc1 was at \$78.03 a barrel, down 23 cents, or 0.3%. Oil prices also fell amid signs of weak demand, ANZ analysts said in a note, as U.S. gasoline and distillate inventories rose in the week of ahead of the start of the U.S. driving season.