



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

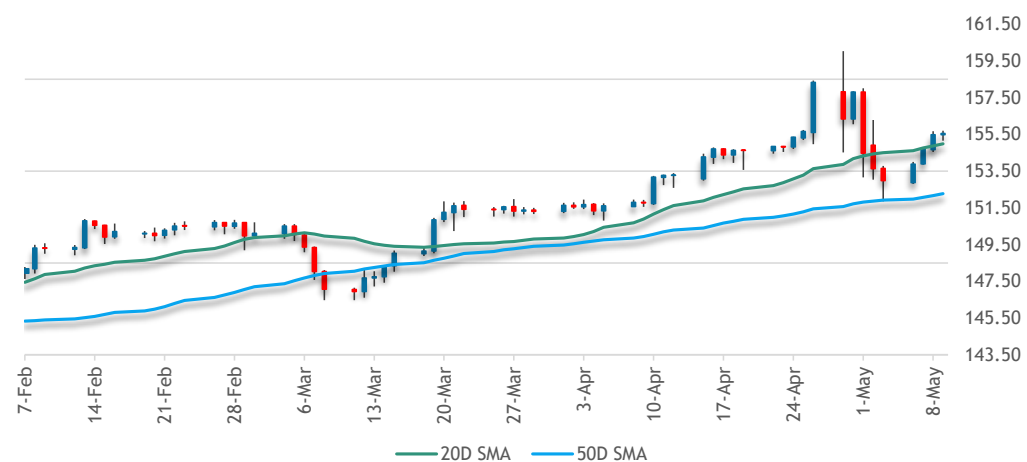
KFH Treasury



Report produced on
Thu, 09-May-2024

Forex Market

JAPANESE YEN



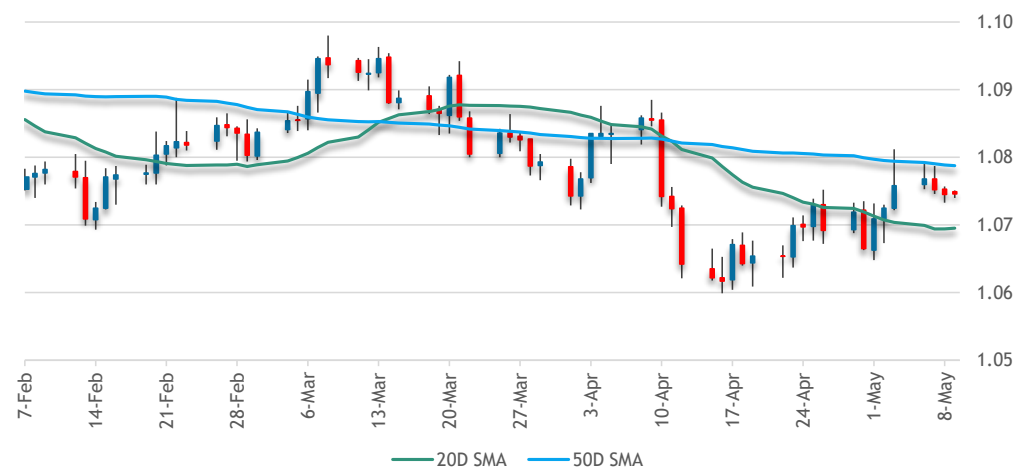
CLOSE **155.48** 1M %chg **2.43%** 3M %chg **4.13%**

USD/JPY, JPY crosses remain bid, import-export interest - Reuters

09 May 2024 07:49:15 AM

- * USD/JPY relatively bid in Asia, 155.16-70 EBS, bracketed by orders
- * Good Japanese importer demand from low, bounce ensued
- * Option-related buys too on large \$1.1 bln expiries today at 155.00-10
- * Option-related offers today too, 155.50 \$515 mln expiries
- * Spot holding around flat daily Ichi kijun at 155.52
- * Daily tenkan 156.05 above, also 50% retracement of 160.24-151.86 move
- * Plenty hourly chart supports below - tenkan/kijun, 100/55-HMAs, cloud
- * JPY crosses also hold bid, some carry demand, EUR/JPY 166.77-167.26 EBS

EURO



CLOSE **1.0745** 1M %chg **-1.04%** 3M %chg **-0.29%**

EUR/USD erased its post-payrolls miss rally, now eyes US CPI and sales data - Reuters News

08 May 2024 07:03:56 PM

- * EUR/USD's 1.0735 low Wed erased Fri's post-NFP, ISM led rally
- * Fri's 1.08125 high was capped by the down TL from March
- * Wed's low is by 30-DMA, tenkan & 50% of last week's range at 1.0731-33
- * As well as the May 1 and 2 highs at 1.0732/305 on EBS
- * ECB rate cuts likely limited by how soon and how much Fed cuts rates
- * Otherwise EUR/USD could fall and lift import cost inflation
- * If CPI and sales are dovish, EUR/USD could test 1.08-plus resistance

Forex Market

POUND STERLING



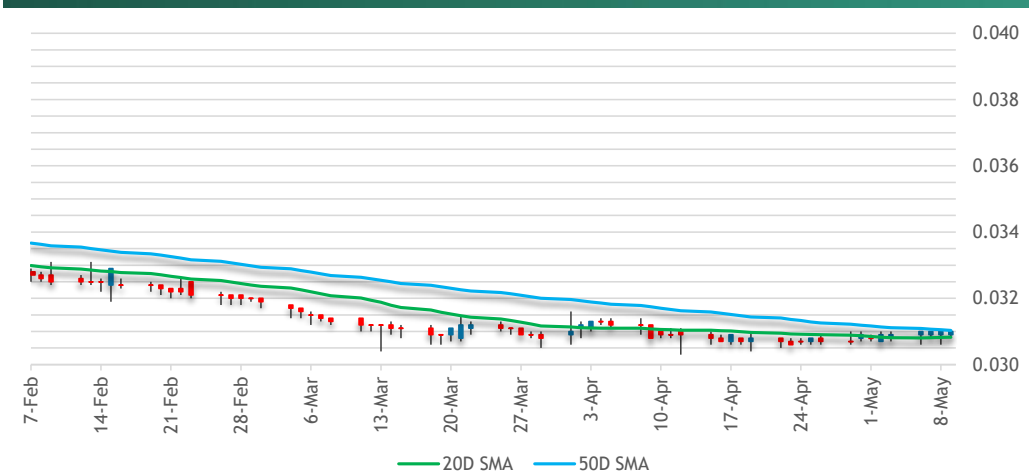
CLOSE **1.2496** 1M %chg **-1.23%** 3M %chg **-0.95%**

Sterling soft ahead of Thursday BoE; June cut teeters near 50% odds - Reuters

08 May 2024 09:19:59 PM

- * GBP\$ ending NorAm -0.1% at 1.2495; Wednesday range 1.2518-1.2469
- * Pair soft ahead of Thurs BoE decision; no cut exp'd, policy path in focus
- * Dovish risks haunt sterling ahead of BoE
- * Vote cut may hint at policy path, if cut count rises GBP\$ likely sinks
- * LSEG's IRPR has June cut odds near 50%, Aug cut fully priced, -55bp by Dec
- * GBP\$ supt at 21-DMA 1.2485, Wednesday low 1.2469, April 26 low 1.2449
- * Resistance 1.2518 Wed high, 1.2527 21-DMA, 1.2545 200-DMA

TURKISH LIRA



CLOSE **0.0310** 1M %chg **-0.64%** 3M %chg **-4.91%**

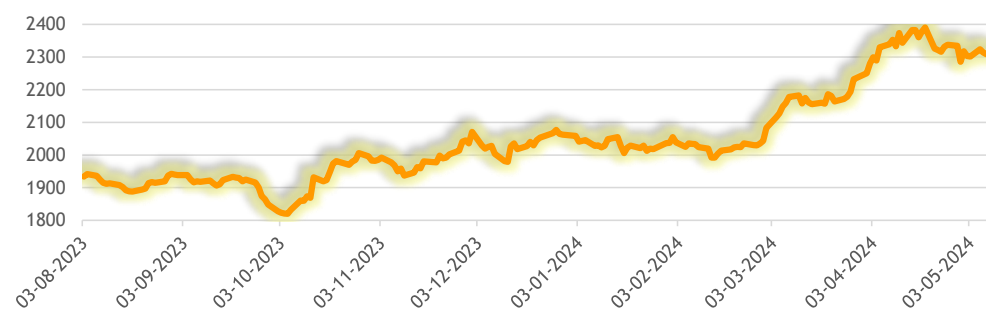
Turkey - Factors To Watch

09 May 2024 07:38:43 AM

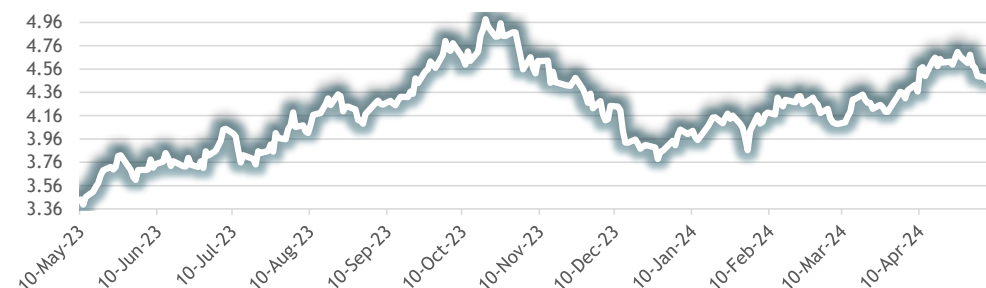
ISTANBUL, May 9 (Reuters) - The lira was quoted at 32.2500-32.2995 against the U.S. dollar, compared with a close of 32.2575 on Wednesday. The main BIST 100 share index closed 0.86% lower at 10,247.75 points on Wednesday.

Gold, US Treasury & Dollar Index

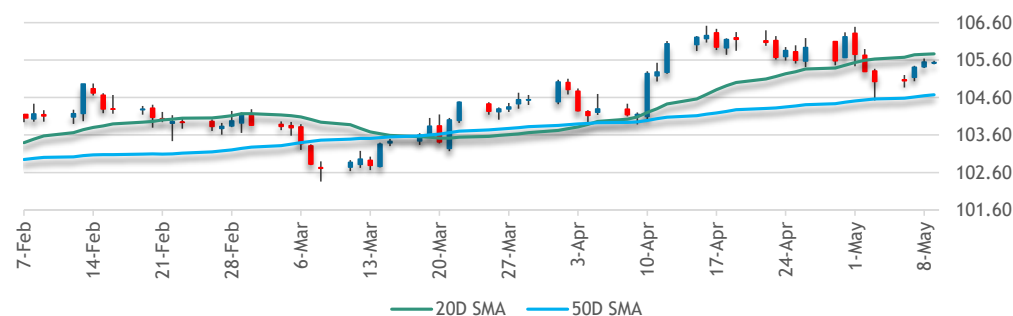
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.50

1M %chg

1.54%

3M %chg

7.72%

PRECIOUS-Gold prices steady with US economic data on tap - Reuters News

09 May 2024 06:59:58 AM

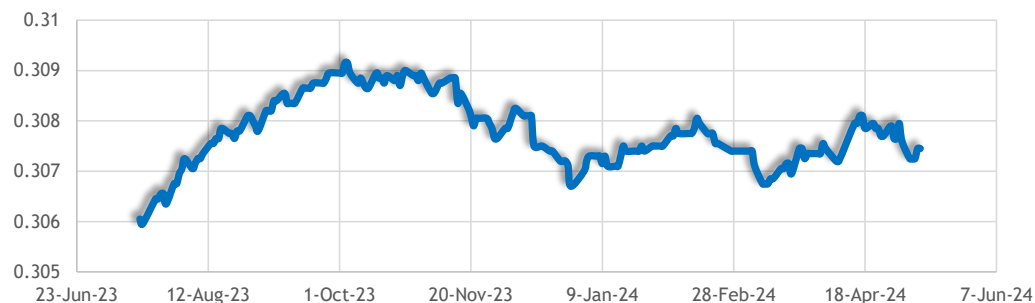
May 9 (Reuters) - Gold prices fluttered in a tight range on Thursday, as investors turned their attention to U.S. economic data that could offer additional insights into when the Federal Reserve might implement interest rate reductions. Spot gold was steady at \$2,309.23 per ounce. U.S. gold futures lost 0.2% to \$2,316.80. The U.S. weekly jobless claims data is due, and the University of Michigan's consumer sentiment reading on Friday. The consumer price index data is scheduled to be released next week. According to the CME's FedWatch Tool, traders are currently pricing in about a 66% chance that the Fed will cut rates in September. Lower interest rates reduce the opportunity cost of holding bullion. Johnson Matthey said in a report that the platinum market faces its largest supply shortfall in 10 years in 2024 as shipments from Russia return to normal from last year's highs and industrial demand stays firm. Platinum was flat at \$972.15 per ounce and palladium gained 0.2% to \$953.79. Spot silver dipped 0.1% to \$27.32.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

| INDICATOR | Ctry / Regn | Time | For | Prior | Consensus |
|----------------------------|-------------|--------------|-----|----------|-----------|
| All Household Spending MM* | JP | 09-May 05:00 | Mar | 1.4 | -0.3 |
| Bank Lending YY | JP | 09-May 05:20 | Apr | 3.2 | |
| Bank Lending YY | JP | 09-May 05:20 | Apr | 3.2 | |
| Foreign Bond Investment | JP | 09-May 05:20 | w/e | 648.1 | |
| Current Account Bal SA* | JP | 09-May 05:20 | Mar | 13686 | |
| Current Account, Goods* | JP | 09-May 05:20 | Mar | -280.909 | |
| Current Account NSA JPY | JP | 09-May 05:20 | Mar | 2644.2 | 3489.6 |
| Foreign Invest JP Bonds* | JP | 09-May 05:20 | w/e | -1441.8 | |
| Foreign Stock Investment* | JP | 09-May 05:20 | w/e | -20.9 | |
| Foreign Invest JP Stock | JP | 09-May 05:20 | w/e | -492.4 | |
| Trade Bal Cust Basis SA* | JP | 09-May 05:20 | Mar | -7122 | |

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

| INSTRUMENT | OPEN | HIGH | LOW | CLOSE | %CHG 1D |
|------------|---------|---------|---------|-----------|---------|
| EUR | 1.0753 | 1.0757 | 1.0733 | 1.0745 | -0.07% |
| GBP | 1.2507 | 1.252 | 1.2464 | 1.2496 | -0.06% |
| JPY | 154.67 | 155.67 | 154.54 | 155.48 | 0.51% |
| TRY | 0.0309 | 0.031 | 0.0306 | 0.031 | 0.00% |
| Dollar Idx | 105.424 | 105.644 | 105.389 | 105.546 | 0.13% |
| Brent | 83.02 | 83.82 | 81.71 | 83.58 | 0.51% |
| WTC | 78.9 | 80.75 | 78.89 | 80.57 | 0.75% |
| Gold | 2314.25 | 2321.36 | 2303.69 | 2308.6455 | -0.22% |
| KWSE Index | 7026.96 | 7059.38 | 6999.61 | 7059.16 | 0.47% |

KIBOR RATES

| Tenor | Value | Tenor | Value |
|-------|-------|-------|-------|
| ON | 2.38 | 3M | 4.31 |
| SW | 3.81 | 6M | 4.50 |
| 1M | 4.06 | 1Y | 4.69 |

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30745

-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 | 5.72 |
| 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 | 21-Mar-'24 | 5.25 | 5.25 | 0.00 |
| BOJ Prime Rate | 08-Mar-'24 | 1.60 | 1.50 | 0.10 |
| TRY ON Lending Rate | 21-Mar-'24 | 53.00 | 46.50 | 6.50 |

KEY INTERNATIONAL STORIES

US wholesale inventories drop by unrevised 0.4% in March

WASHINGTON, May 8 (Reuters) - U.S. wholesale inventories fell in March, confirming that inventory investment was a drag on economic growth in the first quarter. The Commerce Department's Census Bureau said on Wednesday that wholesale inventories fell 0.4% as estimated last month. Stocks at wholesalers rebounded 0.2% in February. Economists polled by Reuters had expected that inventories, a key part of gross domestic product, would be unrevised. Inventories dropped 2.3% on a year-on-year basis in March. Sales at wholesalers declined 1.3% in March after rising 2.0% in February. At March's sales pace it would take wholesalers 1.35 months to clear shelves, up from 1.34 months in February.

Bank of England likely to move closer to first rate cut since 2020

LONDON, May 9 (Reuters) - The Bank of England is likely to take another step towards its first interest rate cut in four years on Thursday as inflation falls, but will probably be cautious about signalling that a move is imminent. The central bank is widely expected to keep its benchmark Bank Rate on hold for a sixth meeting in a row at 5.25% - the highest since 2008 - after its May monetary policy discussions. Financial markets are fully pricing a first quarter-point BoE rate cut only in August and another in November or December taking Bank Rate to 4.75%, followed by more cuts in 2025. But investors have bet increasingly in recent days on the possibility of an earlier move. Rate futures markets on Wednesday put a nearly 50-50 chance on a cut in June.

German economy likely to stagnate in 2024, IW forecasts

BERLIN, May 8 (Reuters) - Germany's economy will stagnate in 2024 despite a stronger than expected start to the year, and will continue to lag behind European peers, according to German economic institute IW. Manufacturing and the construction sector in particular remain stuck in recession, according to IW's latest forecasts, which Reuters is first to report and will be published later on Wednesday. At the start of this year, Germany skirted a recession, growing by 0.2% in the first quarter from the previous three-month period in adjusted terms. In the last quarter of 2023, the economy shrank by 0.5%.

Japan real wages fall in March, marking 2 years of decline

TOKYO, May 9 (Reuters) - Japan's inflation-adjusted real wages in March fell 2.5% from a year earlier, marking declines for two straight years, labour ministry data showed on Thursday. The pace of declines accelerated from the previous month's 1.8% drop as the rising costs of living outpaced nominal wages, the data showed. Some economists say they expect real wages to turn positive at some point in the 2024/25 fiscal year. Nominal wages, or an average total cash earnings per worker, grew 0.6% to 301,193 yen (\$1,940.30), slowing from 1.4% seen in February. On the other hand, consumer prices in March rose 3.1% from a year earlier, slowing slightly from 3.3% in February, hovering higher above the Bank of Japan's 2% inflation target and price gains.

Brazil's retail sales steady in March at 24-year high

SAO PAULO, May 8 (Reuters) - Brazil's retail sales volumes were unchanged in March from February, government statistics agency IBGE said on Wednesday, landing marginally above market estimates and maintaining the record levels it had reached in the previous month. With March's performance, retail sales in Latin America largest economy have now risen almost 6% this year, and currently sit at the highest since at least January 2000, when the current data series started. Economists polled by Reuters expected a 0.1% month-on-month decrease in March. Seven from the eight groups surveyed by the statistics agency posted declines in March, but most of them were marginal. Sales grew 5.7% from the year-earlier period, above analysts' expectations for a 5.05% increase.

Oil rises on U.S. crude storage draw, Fed rate cut hopes

May 9 (Reuters) - Oil prices rose in early trade on Thursday as shrinking U.S. crude inventories signalled tighter supply, and amid rising hopes that the Federal Reserve would cut interest rates by the end of the year. Brent crude futures for July rose 23 cents to \$83.81 a barrel. U.S. West Texas Intermediate crude for June was up 29 cents to \$79.28 per barrel. Crude inventories dropped last week by 1.4 million barrels to 459.5 million barrels, according to the Energy Information Administration, more than analysts' expectations in a Reuters poll for a 1.1 million-barrel draw as refinery activity increased.

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