



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

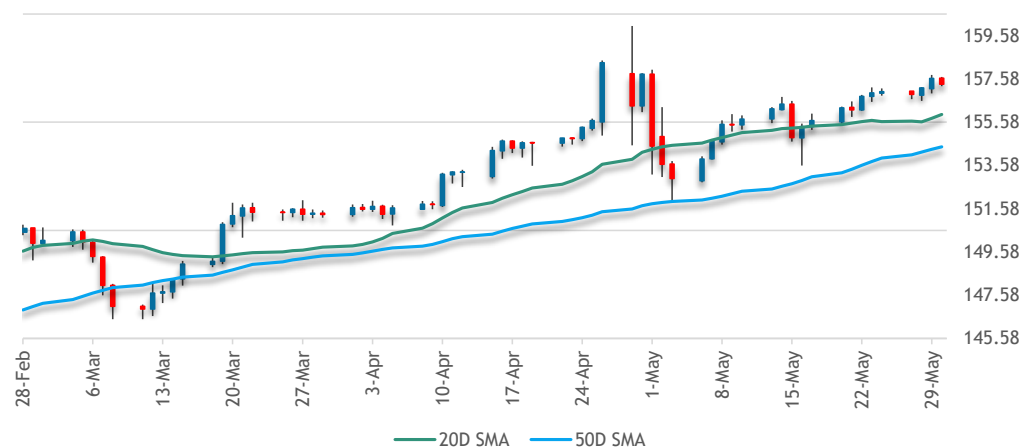
KFH Treasury



Report produced on
Thu, 30-May-2024

Forex Market

JAPANESE YEN



CLOSE **157.60** 1M %chg **0.81%** 3M %chg **5.08%**

USD/JPY off on risk-off mood, JPY backs in crosses too

30 May 2024 07:30:16 AM

- * Risk off mood permeates Asia trade, USD/JPY and JPY crosses all off
- * USD/JPY 157.68 to 157.27 EBS, managing to hold on 157 handle however
- * To area of 157.31 flat hourly Ichi kijun, ascending 55/100-HMAs 157.16/05
- * Hourly Ichi cloud 156.99-157.12, 200-HMA 156.70 below
- * Option expiries in area today include 156.50-65 total massive \$1.7 bln
- * Also 157.00 \$798 mln, 157.50 \$532 mln, 158.00 \$891 mln, 158.50 \$1.9 bln
- * Some exporter selling but importers tipped from around today's low
- * JGB yields off from early high, 1.103% to low earlier 1.085%

EURO



CLOSE **1.0800** 1M %chg **0.76%** 3M %chg **-0.03%**

EUR/USD-Fall leaves the Euro vulnerable, large 1.0800 strikes

30 May 2024 03:57:08 AM

- * Steady after closing -0.5% with the USD +0.5%, despite tighter yield spreads
- * 10yr bund climbed 10bp to 2.682% - 10yr Treasury yields rose 8bp to 4.624%
- * Higher German inflation saw bund yields climb, but the ECB will cut in June
- * Charts - momentum studies edge lower, as 21-day Bollinger bands contract
- * Mixed 5, 10, & 21-day moving averages - signals show a neutral setup
- * The close below the 1.0812 21-day moving average was a bearish signal
- * 1.0721/24 lower 21 day Bolli band and May 3rd & 9th are initial support
- * 1.0800 2.811 BLN May 30th strikes will likely be a magnet in Asia

Forex Market

POUND STERLING



CLOSE
1.2707

1M %chg
1.16%

3M %chg
0.67%

Sterling backs off Tuesday high above 1.28 ahead of inflation data Friday

29 May 2024 09:38:43 PM

- * GBP/USD soft in NorAm afternoon, -0.42% at 1.2708; Wednesday range 1.2772-06
- * USD broadly firm as UST yields rise, despite larger UK rate rises
- * Sterling slips from Tuesday's high, awaiting inflation, rate clues
- * Recent GBP gains tempered ahead of key euro zone, U.S. inflation data Friday
- * US, UK 2024 policy paths similar; near 50% odds for first cut, -30bp by YE
- * Momentum with GBP bulls above 1.2596, the 50% Fib of 1.2894-1.2299
- * Supt at 1.2706 Wed low, 1.2676 daily low May 24, 1.2635 100-DMA
- * Res 1.2754 50% of 1.2801-1.2706, 1.2772 Wed high, 1.2812 upper 30-d Bolli

TURKISH LIRA



CLOSE
0.0310

1M %chg
0.98%

3M %chg
-3.13%

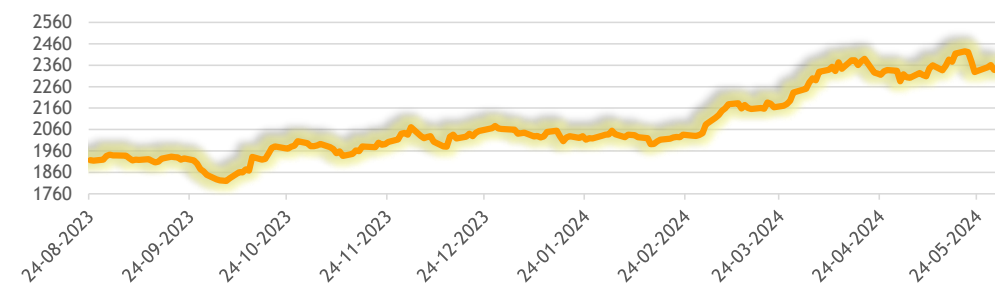
Turkey's Eximbank signs 1 bln euro syndicated loan agreement

29 May 2024 12:44:27 PM

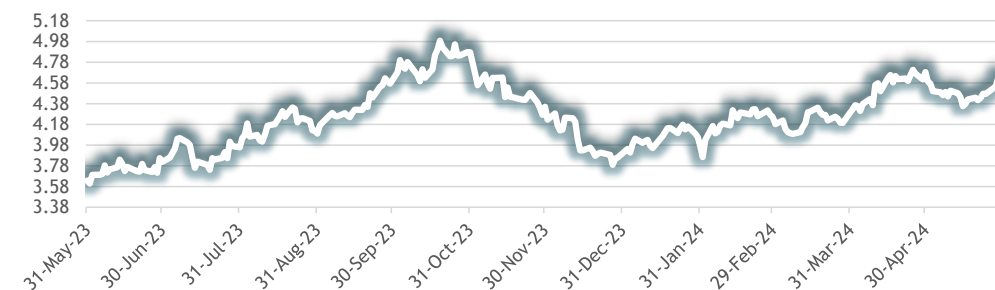
ISTANBUL, May 29 (Reuters) - Turkey's Eximbank said on Wednesday that it had signed a 1 billion-euro loan agreement under the guarantees of the International Bank for Reconstruction and Development (IBRD) and the Turkish treasury. Deutsche Bank, Standard Chartered Bank, BNP Paribas and ING Bank participated in the financing facility with a 10-year maturity, Eximbank said in a statement. The financing will help support exporters to overcome the challenges that may arise as a result of the European Union's Carbon Border Adjustment Mechanism (CBAM), the bank said.

Gold, US Treasury & Dollar Index

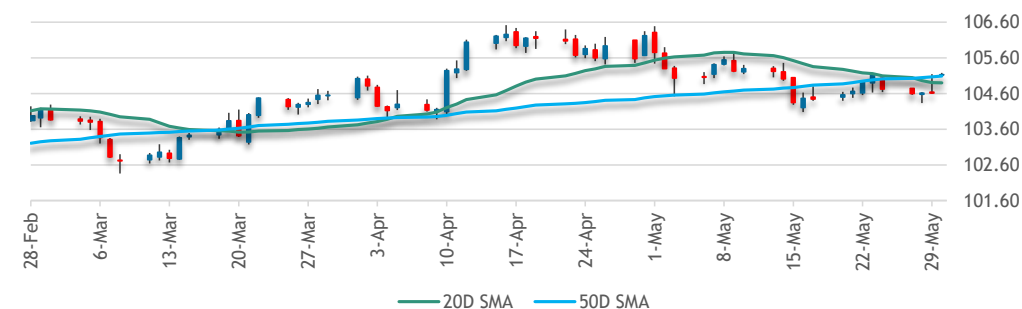
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.62

1M %chg

0.26%

3M %chg

8.75%

PRECIOUS-Gold prices drop as strong US dollar, yields dim bullion's shine

30 May 2024 07:41:44 AM

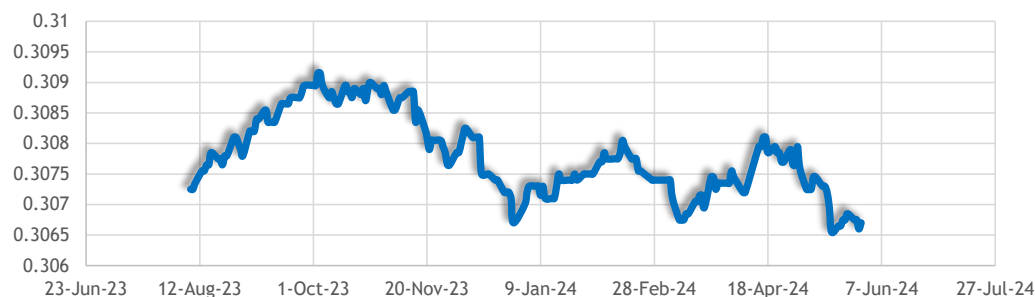
May 30 (Reuters) - Gold prices slipped for a second consecutive session as the U.S. dollar and Treasury yields edged higher ahead of key inflation data, which could offer further clarity on the Federal Reserve's interest rate plan. Spot gold was down 0.4% at \$2,330.44 per ounce, after falling 1% on Wednesday. U.S. gold futures fell 0.5% to \$2,328.60. Bullion has dropped more than \$100 since it hit a record high of \$2,449.89 on May 20 as hawkish remarks from Fed officials and the last meeting minutes pointed to a prolonged path to 2% inflation target. While bullion is considered an inflation hedge, higher rates increase the opportunity cost of holding the non-yielding asset. "I expect gold to probably hold onto the \$2,300 handle during today's session given the support levels, however any upside beat from the core PCE could see gold struggling to maintain that level," Waterer said. Spot silver fell 1.7% to \$31.40, platinum was down 0.3% at \$1,032.25 and palladium lost 2.1% to \$944.75.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
CPI Tokyo Excl Food & Energy M/	JP	30-May 05:00	May	-0.2	
CPI Tokyo Excl Food & Energy Y/	JP	30-May 05:00	May	1.4	
CPI Tokyo Ex fresh food YY	JP	30-May 05:00	May	1.6	1.9
CPI, Overall Tokyo	JP	30-May 05:00	May	1.8	
Jobs/Applicants Ratio*	JP	30-May 05:00	Apr	1.28	1.28
Unemployment Rate*	JP	30-May 05:00	Apr	2.6	2.6
Industrial O/P Prelim MM SA*	JP	30-May 05:20	Apr	4.4	0.9
IP Forecast 1 Mth Ahead	JP	30-May 05:20	May	4.1	
IP Forecast 2 Mth Ahead	JP	30-May 05:20	Jun	4.4	
Industrial O/P Prelim YY SA*	JP	30-May 05:20	Apr	-3.1	
Large Scale Retail Sales YY*	JP	30-May 05:20	Apr	7	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0855	1.086	1.0798	1.08	-0.51%
GBP	1.2759	1.2775	1.2696	1.2707	-0.42%
JPY	157.13	157.76	156.91	157.6	0.28%
TRY	0.031	0.0311	0.0308	0.031	0.00%
Dollar Idx	104.643	105.143	104.589	104.614	0.00%
Brent	84.61	85.02	83.29	83.6	-0.74%
WTC	81.36	81.41	80.14	80.24	-0.82%
Gold	2360.5049	2362.49	2334.49	2338.7659	-0.94%
KWSE Index	7069.29	7074.43	7037.12	7067.37	0.13%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.38	3M	4.25
SW	3.75	6M	4.50
1M	4.06	1Y	4.69

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30670

-0.23%

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	5.61
SW	0.00	6M	5.75
1M	5.44	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 firms grow more pessimistic on economic outlook, Fed survey shows

May 29 (Reuters) - U.S. economic activity continued to expand from early April through mid-May but firms grew more downbeat about the future amid weakening consumer demand while inflation continued to increase at a modest pace, a U.S. Federal Reserve survey showed on Wednesday, as central bankers mull how long they will need to keep interest rates at current levels. The survey, released roughly every six weeks, comes as policymakers remain uncertain on when to start a rate-cutting cycle after holding interest rates in the range of 5.25% to 5.50% for the past 10 months.

UK home prices to build on recent gains but supply an issue

LONDON, May 29 (Reuters) - British home prices will rise modestly this year and increase faster than overall inflation in the next two years, according to housing market specialists polled, supported by expected reductions in borrowing costs and a dearth of supply. The 1.8% increase predicted for 2024 will be outpaced by wage growth. Coupled with an expected fall in mortgage rates, all 19 respondents to an extra question said purchasing affordability for first-time buyers would improve over the coming year. After rising 1.8% this year, home prices will increase 3.1% next year and 4.0% in 2026, median forecasts in the May 9-29 poll of 22 specialists showed.

German inflation rises to 2.8% in May

BERLIN, May 29 (Reuters) - German inflation rose slightly more than forecast to 2.8% in May, although economists said an increase had been expected and should not alarm European Central Bank policymakers ahead of their interest rate decision next week. Analysts polled by Reuters had forecast a reading of 2.7%, after a year-on-year increase in consumer prices of 2.4% in April, based on data harmonised to compare with other European Union countries. Economists are paying close attention to the data from Germany, Europe's biggest economy, ahead of the release of inflation figures from the wider euro zone on Friday.

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Australia business investment rises 1% in Q1, tops forecasts

SYDNEY, May 30 (Reuters) - Australian business investment rose to a near nine-year high in the March quarter as telecoms companies ramped up spending on data centres, while plans for future investment were also upgraded in a boost for the longer-term economic outlook. Data from the Australian Bureau of Statistics showed private capital spending rose a real 1.0% in the first quarter from the previous quarter, topping market forecasts of a 0.5% increase. Spending on plant and machinery jumped 3.3%, outweighing a 0.9% drop in buildings and structures. Firms lifted spending plans for the fiscal year to June 2024 to A\$180.6 billion, up 2.5% on the previous quarter.

Mexico's central bank raises inflation forecast, but leaves door open to rate cuts

MEXICO CITY, May 29 (Reuters) - The Bank of Mexico upwardly revised its forecasts for 2024 inflation, according to the central bank's quarterly report released on Wednesday, as persistently high consumer prices have divided its five-member board on when to resume rate cuts. Annual headline inflation has sped up after bottoming out at the end of October, ticking up to 4.78% in the first half of May, above the central bank's target of 3%, plus or minus one percentage point. Banxico, as the central bank is known, now sees average annual inflation in the fourth quarter at 4.0%, up from a forecast of 3.5% in its previous report in February.

Oil mostly steady ahead of U.S stockpile data amid downward pressure

SINGAPORE, May 30 (Reuters) - Oil prices were mostly stable as the markets await U.S. crude oil stockpiles data, though resilient U.S. economic activity pointed to borrowing costs staying higher for longer in a potential blow to demand. Brent futures dipped 4 cents or 0.05% to \$83.56 a barrel, while U.S. West Texas Intermediate (WTI) crude eased 10 cents or 0.13% to \$79.13. The API figures showed crude stocks were down by 6.49 million barrels in the week ended May 24, the sources said, with gasoline inventories down by 452,000 barrels, and distillates up by 2.045 million barrels. Higher borrowing costs tend to tie down funds and consumption, a negative for crude demand and prices.



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