



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

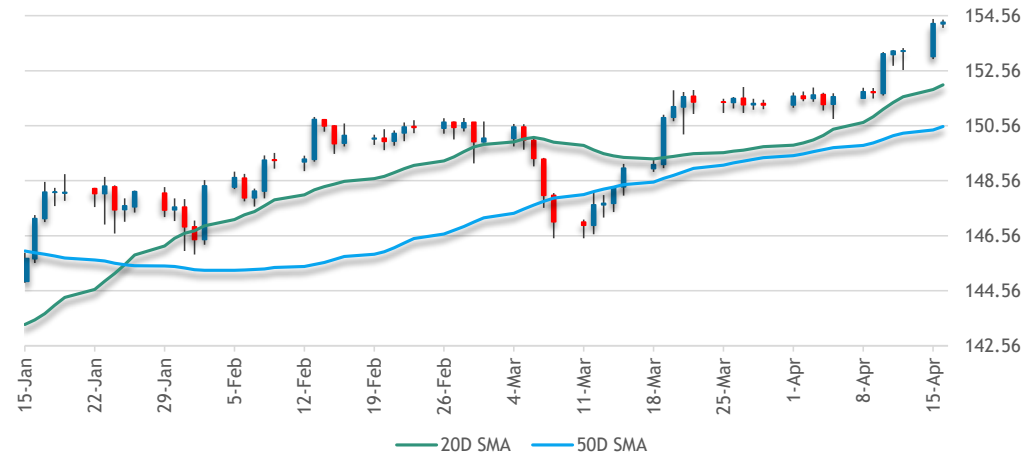
## KFH Treasury



*Report produced on*  
**Tue, 16-Apr-2024**

# Forex Market

## JAPANESE YEN



CLOSE **154.27**      1M %chg **3.52%**      3M %chg **5.86%**

**USD/JPY to 154.45 in NY on "fundamentals", no intervention - Reuters**  
 16 Apr 2024 04:24:00 AM  
 \* USD/JPY traded to as high 154.45 EBS in NY overnight, highest since June '90  
 \* Japan-US interest differentials recently wide/wider, 2s @465 bps, 10s @375  
 \* Stops tripped above 154.00 on way to high, likely more 154.50+  
 \* Market quickly nearing possibly new MOF line in the sand for intervention  
 \* This "line" eyed at 155.00, massive option barriers tipped at this strike  
 \* Stops above 155.00 seen very large, would project 155.77 June '90 high test  
 \* Given current "fundamentals", effect of any intervention may be small, brief  
 \* Tech support from hourly Ichi tenkan at 154.22, then 154.00, kijun 153.84

## EURO



CLOSE **1.0622**      1M %chg **-2.43%**      3M %chg **-2.98%**

**EUR/USD-Pressured as high US yields and risk aversion weigh - Reuters News**  
 16 Apr 2024 08:04:11 AM  
 \* EUR/USD opened -0.15% as USD firmed on strong US data and higher yields  
 \* EUR/USD eased to 1.0606 and is around 1.0610 into the afternoon  
 \* Support at the 76.4 of the Oct-Dec 2023 rise at 1.0611 is under pressure  
 \* A break below 1.0600 targets the Nov 2023 daily low at 1.0517  
 \* EUR/USD trending lower with the 5, 10 & 21-day MAs in a bearish alignment  
 \* The objective of the trend lower is the Oct 3 low at 1.0448  
 \* Resistance is at the 10-day MA at 1.0757 with sellers tipped ahead of 1.0700

# Forex Market

## POUND STERLING



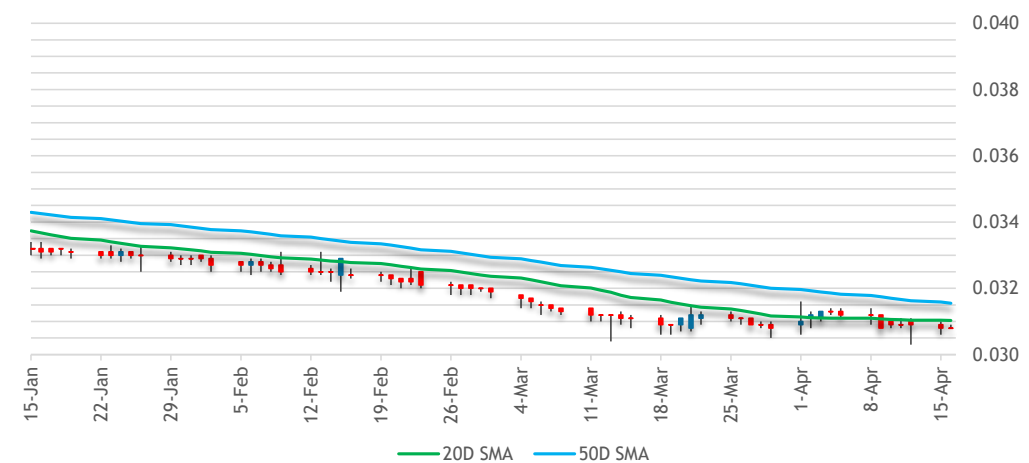
CLOSE **1.2444** 1M %chg **-2.32%** 3M %chg **-2.21%**

### Sterling capped by 1.25 after hot US ret sales keeps high Fed rate view intact - Reuters

15 Apr 2024 09:32:45 PM

- \* GBP\$ up a tad into NorAm close, +0.1% at 1.2462; Mon range 1.2499-42
- \* Pair backs off early NY high 1.2493 after RS beat boosted UST yields
- \* GBP traders await UK payrolls, wage data Tuesday; CPI/PPI Wednesday
- \* Sterling in a rut as US data highlights Fed-BoE divergence
- \* LSEG's IRPR indicates Sept for 1st Fed cut, BoE 1st cut 90% odds for Aug
- \* GBP\$ res 1.2499 Mon high, 1.2568 50% Fib of 1.2709-1.2427, 10-DMA 1.2585
- \* Supt 1.2442 Mon low, 1.2427 Friday's 2024 low, 1.2385 61.8% of 1.2070-1.2894
- \* 10-DMA (1.2585) set to cross below 200-DMA (1.2582) adds to bearish structure

## TURKISH LIRA



CLOSE **0.0308** 1M %chg **-0.96%** 3M %chg **-7.23%**

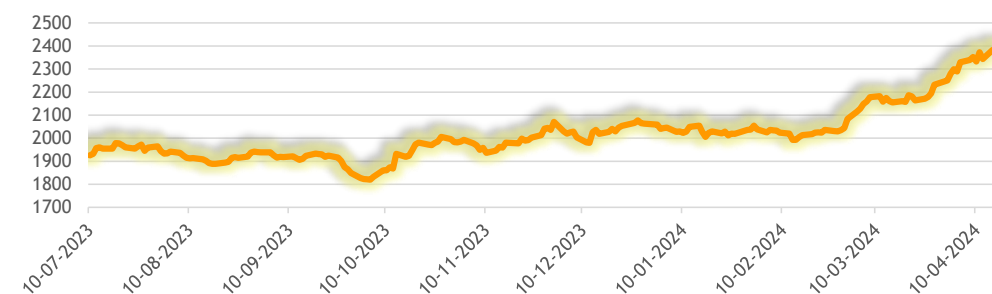
### Turkey's current account recorded \$3.7 bln deficit February

15 Apr 2024 03:31:00 PM

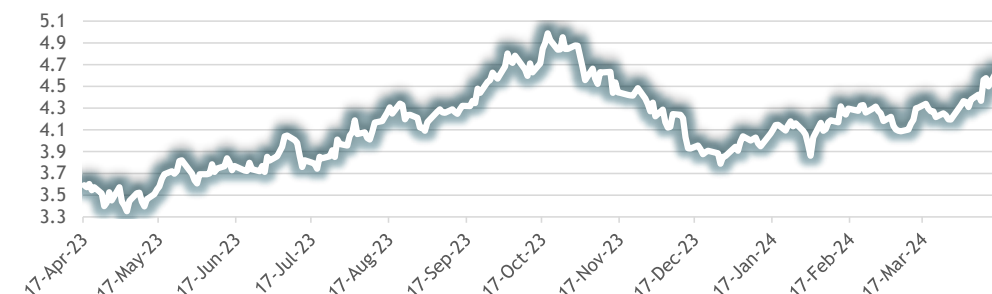
ISTANBUL, April 15 (Reuters) - Turkey's current account is expected to record a deficit of \$3.7 billion in February, and the deficit is seen at \$28.2 billion at end-2024, a Reuters poll showed on Thursday. The current account deficit forecasts by 11 economists polled ranged from \$2.75 billion to \$4 billion for the month. The trade deficit, a major component of the current account, declined 44.2% year-on-year in February to \$6.77 billion, following government steps to reduce imports and boost exports. The median forecast of six economists for the 2024 full-year deficit was \$28.2 billion, with estimates ranging between \$23.6 billion and \$35 billion. That is down from last month's forecast of a \$32 billion deficit. The current account deficit widened to \$48.8 billion in 2022, largely driven by energy and gold. It narrowed to \$45.2 billion last year, above the government forecast of \$42.5 billion.

# Gold, US Treasury & Dollar Index

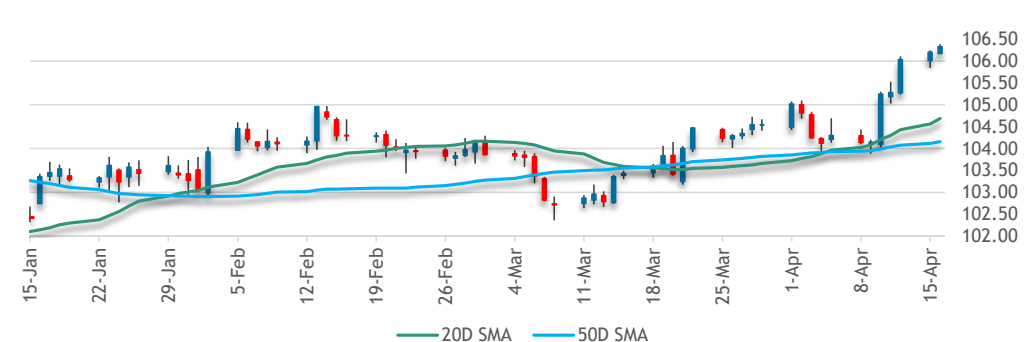
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.61**

1M %chg

**7.53%**

3M %chg

**17.16%**

### PRECIOUS-Gold near record high on growing geopolitical concerns -Reuters News

16 Apr 2024 08:11:35 AM

April 16 (Reuters) - Gold prices ticked up on Tuesday, not too far away from a record high hit last week, as concerns about rising geopolitical tensions between Iran and Israel propped up demand for the safe-haven metal. Spot gold was up 0.2% at \$2,387.11 per ounce, after hitting an all-time high of \$2,431.29 on Friday. U.S. gold futures rose 0.9% at \$2,403.90. Gold has got another leg of support from the latest round of Middle East headlines, but it was gaining even before that with central bank purchases and rising inflation expectations also supporting the rally, meaning that gold is behaving like an inflationary hedge once more, City Index senior analyst Matt Simpson said. Data out of U.S. has stirred questions on the prospects of rate cuts, with the market now betting on fewer than two quarter-point cuts by the year-end, from three cuts about a month ago. Citi projected gold prices to trade at \$3,000 per ounce over the next 6-18 months. Spot silver fell 0.3% to \$28.80 per ounce, platinum rose 0.4% at \$966.49 and palladium lost 1% to \$1,025.43.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Reuters Tankan N-Man Idx	JP	16-Apr 04:30	Apr	32	
Reuters Tankan Man'f Idx	JP	16-Apr 04:30	Apr	10	
Exports YY	JP	16-Apr 05:20	Mar	7.8	7.0
Imports YY	JP	16-Apr 05:20	Mar	0.5	-4.7
Trade Balance Total Yen	JP	16-Apr 05:20	Mar	-379.4	299.9
Claimant Count Unem Chng*	GB	16-Apr 11:30	Mar	16.8	
Eurostat Trade NSA, Eur	EU	16-Apr 14:30	Feb	11.4	
ZEW Survey Expectations*	EU	16-Apr 14:30	Apr	33.5	
Building Permits: Number *	US	16-Apr 18:00	Mar	1.524	1.515
Build Permits: Change MM *	US	16-Apr 18:00	Mar	2.4	
Housing Starts Number *	US	16-Apr 18:00	Mar	1.521	1.487

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0635	1.0665	1.0618	1.0622	-0.19%
GBP	1.245	1.2498	1.2433	1.2444	-0.05%
JPY	153.07	154.44	152.98	154.27	0.65%
TRY	0.0309	0.031	0.0306	0.0308	-0.32%
Dollar Idx	106.013	106.245	105.839	106.208	0.16%
Brent	90.95	91.05	88.73	90.1	-0.39%
WTC	85.71	86.52	84.85	86.21	-0.29%
Gold	2343.3601	2387.39	2324.29	2382.5078	1.67%
KWSE Index	7141.51	7184.82	7105.67	7111.17	-0.08%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.44	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

**0.30795**

**0.28%**

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	5.59
SW	0.00	6M	5.73
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

### Strong US retail sales boost first-quarter growth estimates

WASHINGTON, April 15 (Reuters) - U.S. retail sales increased more than expected in March amid a surge in receipts at online retailers, further evidence that the economy ended the first quarter on solid ground. Strong retail sales prompted economists at Goldman Sachs to boost their gross domestic product (GDP) growth estimate for the first quarter to a 3.1% annualized rate from a 2.5% pace. The economy grew at a 3.4% rate in the fourth quarter. Retail sales rose 0.7% last month, the Commerce Department's Census Bureau said. Data for February was revised higher to show sales rebounding 0.9%, which was the largest gain in just over a year, instead of the previously reported 0.6%. Sales jumped 4.0% on a year-on-year basis in March.

### Germany's debt brake serves as inflation brake, finance minister says

BERLIN, April 15 (Reuters) - A moderate restrictive fiscal policy required to conform with Germany's debt brake is taking inflation in the right direction, Finance Minister Christian Lindner said on Monday. Inflation slackened to 2.3% (helped by lower food and energy prices), final data showed on Friday. This is its lowest level since June 2021. Lindner said the current government would invest 58 billion euros (\$61.84 billion) this year, considerably more than the 38 billion euros spent in 2019, when interest rates and the economic environment were more favourable. Lindner said there could be additional funds available for investment if debt levels returned to the 2019 pre-pandemic level before the end of this decade.

### Canada to unveil budget as experts doubt fiscal targets

OTTAWA, April 14 (Reuters) - Canadian Finance Minister Chrystia Freeland will have to find ways to amp up savings or raise taxes when she delivers the budget on Tuesday, as new heavy spending plans in the run-up further risks weakening government finances, economists say. In last year's Fall Economic Statement (FES), the government's new fiscal goals aimed to cap the fiscal 2023-24 budget deficit at C\$40.1 billion (\$29.12 billion), or about 1.4% of GDP. Randall Bartlett, senior director of Canadian Economics with Desjardins Group, estimates the deficit in the fiscal year ended March 31 could be around C\$47 billion, led by government expenses.

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### China's Q1 GDP grows 5.3% y/y, well above forecast

BEIJING, April 16 (Reuters) - China's economy grew 5.3% in the first quarter year-on-year, official data showed on Tuesday, comfortably beating analysts' expectations, a welcome sign for policymakers as they try to shore up demand and confidence in the face of a protracted property crisis. Analysts polled by Reuters had expected first-quarter gross domestic product (GDP) to expand 4.6% from a year earlier, compared to 5.2% in the previous three months. The government is aiming for economic growth of around 5.0% for 2024, a target that many analysts believe is ambitious and may require more stimulus. On a quarter-by-quarter basis, GDP grew 1.6% in January-March, above expectations for a 1.4% rise and compared with a revised 1.2% gain in the previous quarter.

### Brazil sets 2025 fiscal target of zero primary deficit

BRASILIA, April 15 (Reuters) - Brazil's government on Monday set a fiscal target of zero primary deficit for 2025, postponing the path for debt stabilization initially planned when new fiscal rules were introduced last year. The target, which was formalized in the budget guidelines bill by the Finance and Planning ministries, marks a relaxation from a 2025 surplus of 0.5% of gross domestic product that the government had suggested previously. The ministries now forecast that a primary surplus of 0.25% of GDP will be achieved in 2026, rising to 0.5% of GDP in 2027 and 1% of GDP in 2028. The government had established a target to erase the primary deficit this year, indicating that it would then seek a surplus of 0.5% of GDP in 2025 and 1% of GDP in 2026.

### Oil prices rise on solid China growth, Middle East tensions

April 16 (Reuters) - Oil prices rose on Tuesday as the Chinese economy grew faster than expected, while heightened tensions in the Middle East also kept markets on edge after Israel said it would respond to Iran's weekend missile and drone attack. Brent futures for June delivery rose 48 cents, or 0.5%, to \$90.58 a barrel. U.S. crude futures for May delivery rose 49 cents, or 0.6%, to \$85.90 a barrel. The benchmarks rose on the back of solid economic growth in China, the world's biggest oil importer. Official gross domestic product grew 5.3% in the first quarter, year-on-year, government data showed, comfortably beating analysts' expectations.