



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

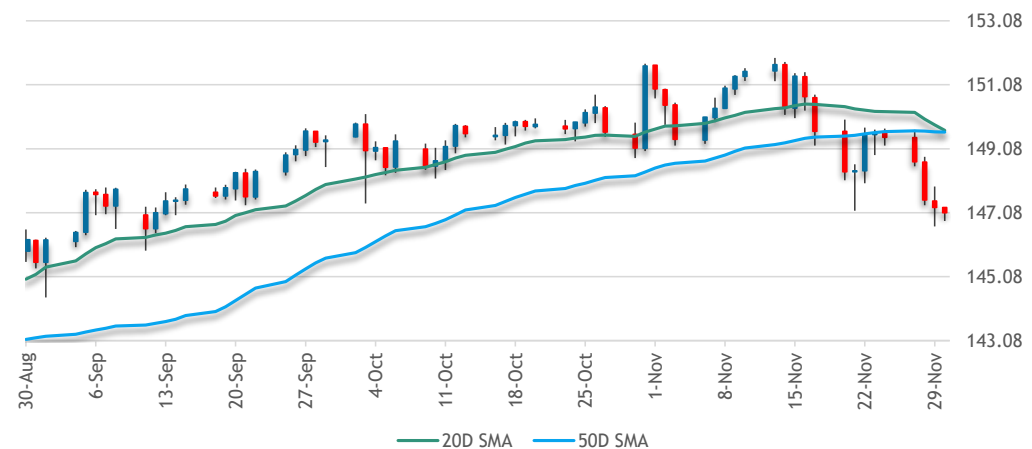
## KFH Treasury



*Report produced on*  
**Thu, 30-Nov-2023**

# Forex Market

## JAPANESE YEN



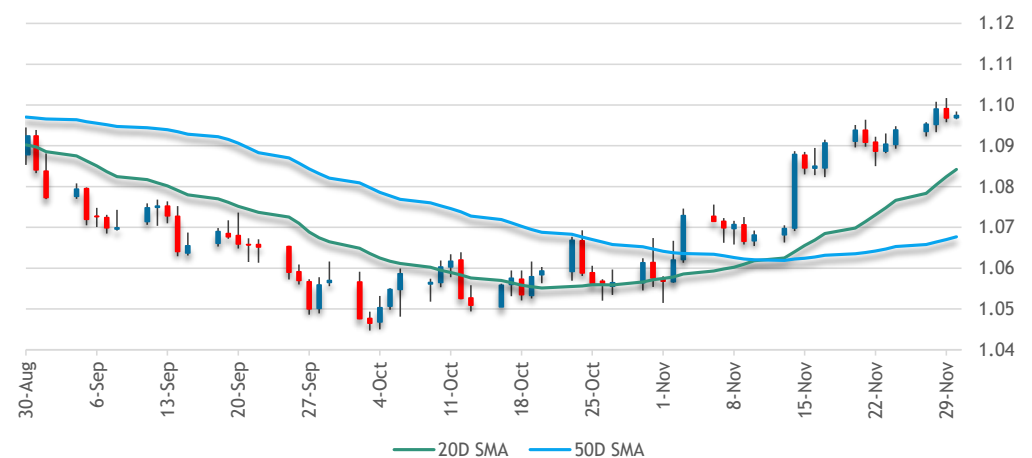
CLOSE **147.24** 1M %chg **-1.58%** 3M %chg **0.94%**

### USD/JPY on hold around 147.00, JPY crosses on back feet - Reuters

30 Nov 2023 07:32:31 AM

- \* USD/JPY heavy but holding around 147.00, ascending 100-DMA at 147.07
- \* Asia 146.85-147.22 EBS, after 146.68-147.91 range yesterday
- \* Eyes remain on US yields, still soggy, Tsy 2s @4.648%, 10s @4.262%
- \* JGB yields easy, BOJ Nakamura adamant policy on hold, after Adachi yesterday
- \* Data shows Japan's economy picking up after weak summer, outlook unchanged
- \* USD/JPY support towards low yesterday, ahead of presumed 146.50 option KOs
- \* 146.45 also low Sept 12, Sept 11 low 145.91, stops eyed sub-146.50, 146.00
- \* Japanese importer bids on dips however, retail also seen very net short

## EURO



CLOSE **1.0968** 1M %chg **3.82%** 3M %chg **0.84%**

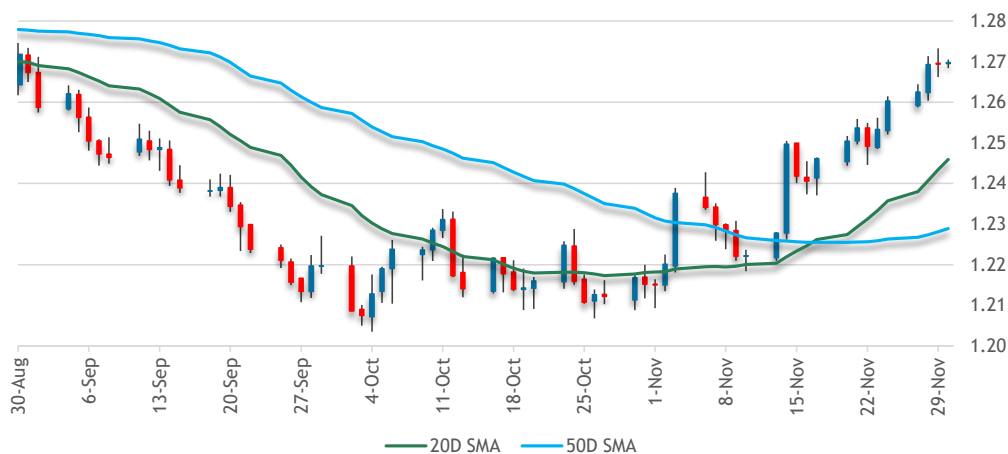
### EUR/USD-Edges higher ahead of key EZ and US inflation data - Reuters News

30 Nov 2023 08:07:29 AM

- \* EUR/USD opened -0.22% at 1.0969 after USD clawed back some lost ground
- \* In a quiet Asian session, the EUR/USD traded in a 1.0967/84 range
- \* Heading into the afternoon it is slightly higher at 1.0975
- \* Market is looking ahead to EZ CPI and US PCE price index
- \* Data will likely impact both ECB and Fed expectations
- \* EUR/USD trending higher with the 5, 10 & 21-day MAs in a bullish alignment
- \* Support is at 10-day MA at 1.0938 and close below would warn top is forming
- \* Resistance at Wednesday 1.1017 high and break would increase upward momentum

# Forex Market

## POUND STERLING



CLOSE

**1.2694**

1M %chg

**4.72%**

3M %chg

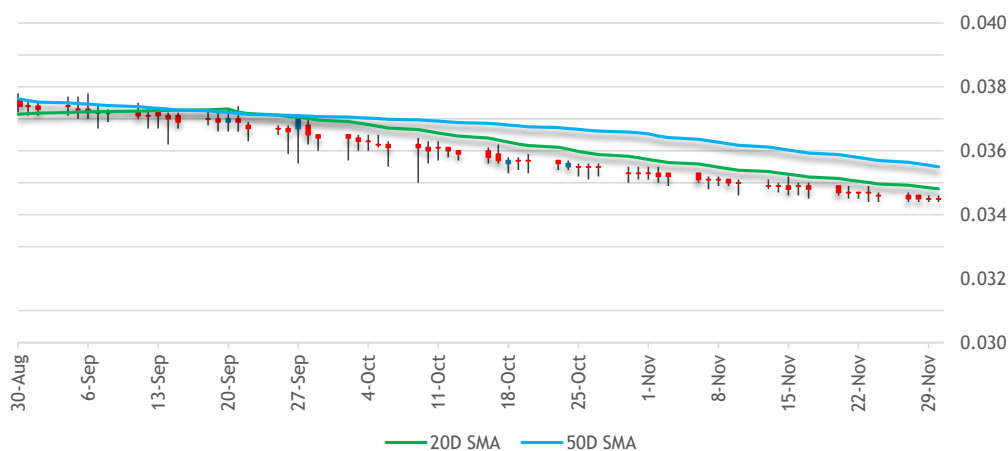
**0.44%**

### GBP/USD-Longs get flashed warning signs near key areas - Reuters

29 Nov 2023 08:59:33 PM

- \* GBP/USD rallied above the 61.8% Fib of 1.3144-1.20385, hit a 3-month high
- \* Pair hit 1.2733 on D3, rally stalled short of the Aug. 31 & 30 daily highs
- \* Gains were reversed however & GBP/USD turned down, down -0.07% at writing
- \* Daily RSI diverged on the high, daily doji formed, are warnings for longs
- \* Those signals emerged near the Fibo & daily highs, gives them more credence
- \* US Oct. Core PCE, weekly claims, Nov. ISM mfg PMI risks still loom
- \* If data indicates disinflation, weak jobs & growth US yields, US\$ may sink

## TURKISH LIRA



CLOSE

**0.0345**

1M %chg

**-2.82%**

3M %chg

**-8.00%**

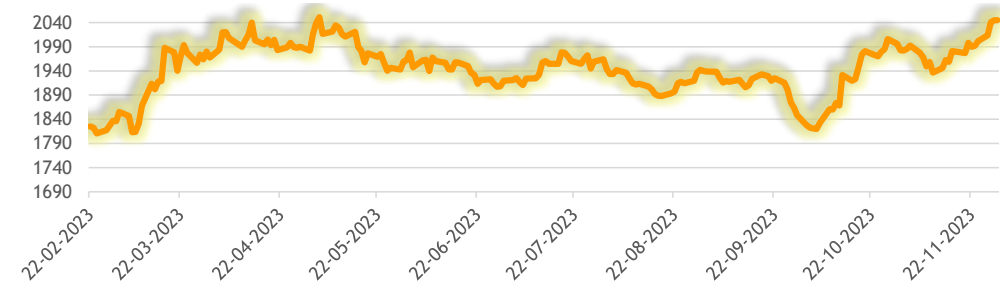
### Turkish inflation seen at 63% in November, rising to 67% at year-end - Reuters News

29 Nov 2023 03:28:16 PM

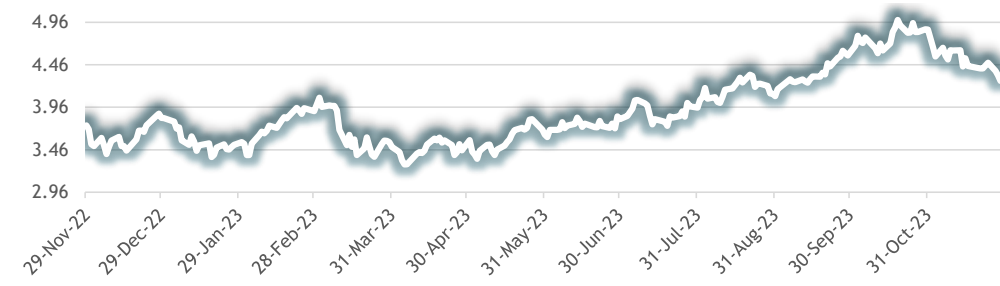
ISTANBUL, Nov 29 (Reuters) - Turkey's annual inflation is expected to rise to 63% in November on back of rise in prices of food and natural gas usage and is seen climbing further to 67% by end-2023, showed. The median estimate of 11 economists for annual inflation was 63%, with forecasts ranging from 61.6% to 64.1%. Monthly, prices were expected to rise 3.9%, with forecasts ranging from 3% to 4.62%. Annual inflation began to climb in July, breaking its eight-month falling streak after tax hikes were introduced and it was also stoked by the lira's sharp decline following May elections, bringing its losses to more than 35% this year. Inflation touched a 24-year high of 85.5% last year after interest rate cuts sparked a currency crisis, sending the lira down 44% in 2021 and another 30% in 2022.

# Gold, US Treasury & Dollar Index

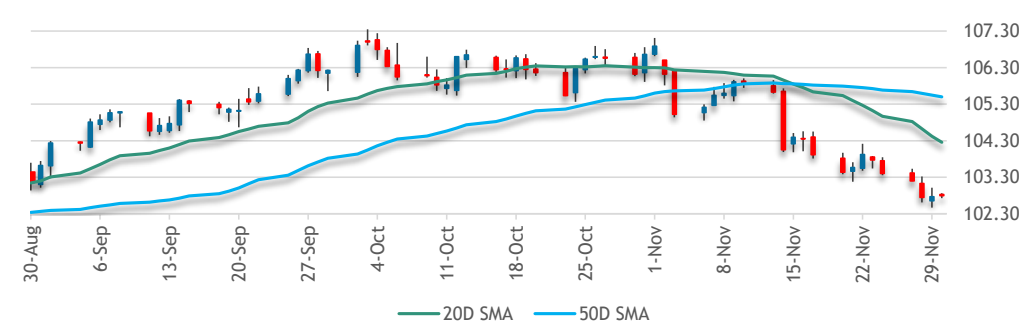
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.27**

1M %chg

**-11.85%**

3M %chg

**3.61%**

### PRECIOUS-Gold holds ground ahead of US inflation test - Reuters News

30 Nov 2023 08:13:20 AM

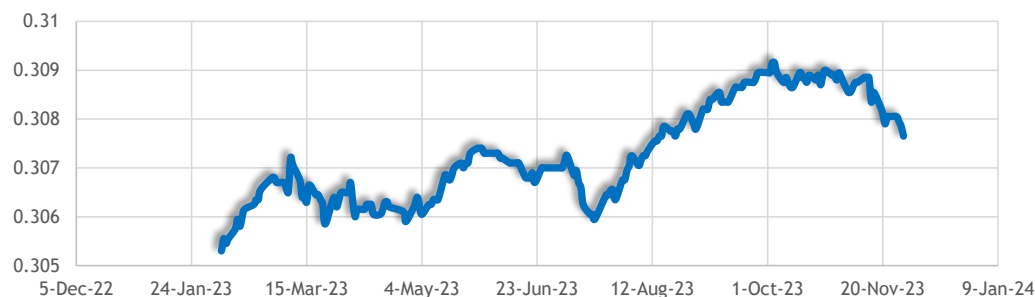
Nov 30 (Reuters) - Gold prices consolidated in a tight range on Thursday, hovering close to a near seven-month high, as investors awaited a key inflation print to gauge whether interest rate cuts in the U.S. would come sooner than previously expected. Spot gold XAU= was flat at \$2,044.79 per ounce, after hitting its highest since May 5 on Wednesday, and was poised for its second straight monthly gain. Bullion was trading in a range of about \$4 on Thursday. U.S. gold futures GCcv1 for December delivery fell 0.2% to \$2,045.30 per ounce. Lower interest rates reduce the opportunity cost of holding non-interest-bearing bullion. Making gold less expensive for other currency holders, the dollar index .DXY drifted near three-month lows, and was set to log its worst monthly performance in a year in November. Spot silver XAG= fell 0.1% to \$24.98 per ounce. Platinum XPT= was up 0.2% to \$933.52. Palladium XPD= was steady at \$1,027.45 per ounce.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Jobs/Applicants Ratio*	JP	30-Nov 05:00	Oct	1.29	1.29
Unemployment Rate*	JP	30-Nov 05:00	Oct	2.6	2.6
Business Capex (MOF) YY*	JP	30-Nov 05:20	Q3	4.5	
Consumer Confid. Index*	JP	30-Nov 10:30	Nov	35.7	
Construction Orders YY*	JP	30-Nov 10:30	Oct	-3	
Housing Starts YY*	JP	30-Nov 10:30	Oct	-6.8	-6.8
HICP Flash YY	EU	30-Nov 15:30	Nov	2.9	2.7
HICP-X F&E Flash YY	EU	30-Nov 15:30	Nov	5.0	
Unemployment Rate	EU	30-Nov 15:30	Oct	6.5	6.5
Personal Consump Real MM*	US	30-Nov 19:00	Oct	0.4	
Consumption, Adjusted MM*	US	30-Nov 19:00	Oct	0.7	0.2

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0991	1.1017	1.0958	1.0968	-0.20%
GBP	1.2696	1.2733	1.2662	1.2694	0.01%
JPY	147.45	147.9	146.65	147.24	-0.16%
TRY	0.0345	0.0346	0.0344	0.0345	0.00%
Dollar Idx	102.654	103.009	102.467	102.765	0.02%
Brent	81.91	83.25	80.96	83.1	1.74%
WTC	-	-	-	77.56	1.93%
Gold	2040.99	2051.89	2034.5	2044.59	0.18%
KWSE Index	6640.56	6650.37	6588.87	6603.46	-0.53%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.56	3M	4.31
SW	3.81	6M	4.56
1M	4.06	1Y	4.75

## CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

**0.30765**

**-0.11%**

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	5.65
SW	0.00	6M	5.82
1M	5.46	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	26-Oct-'23	4.50	4.50	0.00
BOE Bank Rate	02-Nov-'23	5.25	5.25	0.00
BOJ Prime Rate	10-Nov-'23	1.60	1.50	0.10
TRY ON Lending Rate	24-Nov-'23	41.50	36.50	5.00

## KEY INTERNATIONAL STORIES

### US economy grows 5.2% in third quarter; higher interest rates eroding momentum

WASHINGTON, Nov 29 (Reuters) - The U.S. economy grew faster than initially thought in the third quarter as businesses built more warehouses and accumulated machinery equipment, but momentum appears to have since waned as higher borrowing costs curb hiring and spending. Gross domestic product increased at a 5.2% annualized rate last quarter, revised up from the previously reported 4.9% pace, the Commerce Department's Bureau of Economic Analysis (BEA) said in its second estimate of third-quarter GDP. It was the fastest pace of expansion since the fourth quarter of 2021. The economy grew at a 2.1% pace in the April-June quarter.

### British home prices to dip again in 2024 but no crash expected

LONDON, Nov 29 (Reuters) - British home prices will fall again in 2024 after dropping 4% this year as the Bank of England keeps interest rates higher for longer, eroding how much buyers can afford to borrow and deterring some from entering the market, a Reuters poll found. Average home prices were expected to drop 4.0% this year and 2.0% next before rising 3.0% in 2025, medians in the Nov. 15-29 poll of 18 property market experts showed. In a poll published in September those forecasts were -4.0%, 0.0% and +3.3%. The most pessimistic forecaster for next year predicted a 7.5% drop while the most optimistic saw a 5.0% rebound.

### Russian industrial output growth slows as unemployment drops to record low

MOSCOW, Nov 29 (Reuters) - Russia's industrial output growth slowed in October as the unemployment rate dropped to a record low 2.9%, federal statistics showed on Wednesday, with deepening labour shortages showing signs of cooling Moscow's military production capacity. Growth in real wages, which are adjusted for inflation and reported with a one-month lag, slowed to 7.2% in September, Rosstat's data showed, down from 9.5% in August and below analysts' forecasts of a 9% increase. Industrial output rose 5.3% year-on-year in October, down from a 5.6% rise in September and driven once again by military production.

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### Japan Oct factory output rises on circuits, autos rebound

TOKYO, Nov 30 (Reuters) - Japan's factory output rose for a second straight month in October, government data showed on Thursday, lifted by the production of integrated circuits and autos, although external demand risks loomed. Industrial production rose 1.0% in October from the previous month, data from the Ministry of Economy, Trade and Industry (METI) showed. The reading was roughly in line with a median market forecast for 0.8% growth and followed 0.5% gains in September. Compared with the previous month, retail sales shrank 1.6% in October, following a 0.4% gain in September, squeezed by price pressures.

### Bank of Mexico sees inflation taking longer to ease as economy 'more resilient-than-expected'

MEXICO CITY, Nov 29 (Reuters) - The Bank of Mexico on Wednesday said it now sees inflation reaching its target later than previously projected amid a stronger growth forecast, although cuts to the bank's record-high benchmark interest are likely to be up for discussion early next year. In its quarterly report, the central bank said it now sees headline and core inflation nearing the bank's inflation target of 3% in the second quarter of 2025. That compares to a prior expectation it would occur in the fourth quarter of 2024. Banxico, as the central bank is known, revised upward its forecast for annual headline inflation in the fourth quarter of 2024 to 3.4% from 3.1% seen in the previous report.

### Oil steady, market eyes OPEC+ meet, weighs weak demand indicators - Reuters News

SINGAPORE, Nov 30 (Reuters) - Oil was little changed on Thursday as investors remained cautious ahead of expected production cuts by the OPEC+ group and as weaker-than-expected Chinese factory data underscored slowing growth in the world's second largest economy. Brent crude futures LCOc1 fell 15 cents, or 0.2%, to \$82.95 a barrel, while U.S. West Texas Intermediate crude futures CLc1 rose 12 cents, or 0.2%, at \$77.98 a barrel. Oil markets in the previous session found support from hopes of some form of a price-supportive resolution from the OPEC+ group, which includes the Organization of Petroleum Exporting Countries and allies including Russia.