



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

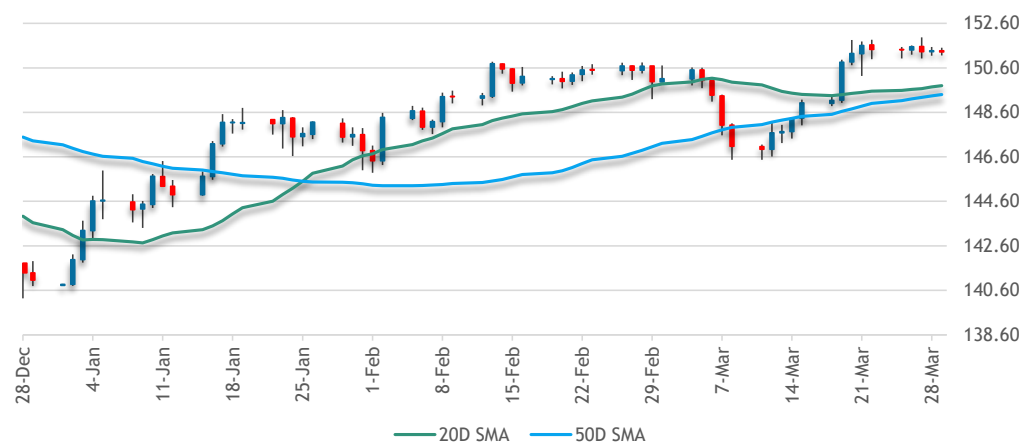
KFH Treasury



Report produced on
Sun, 31-Mar-2024

Forex Market

JAPANESE YEN



CLOSE
151.31

1M %chg
0.89%

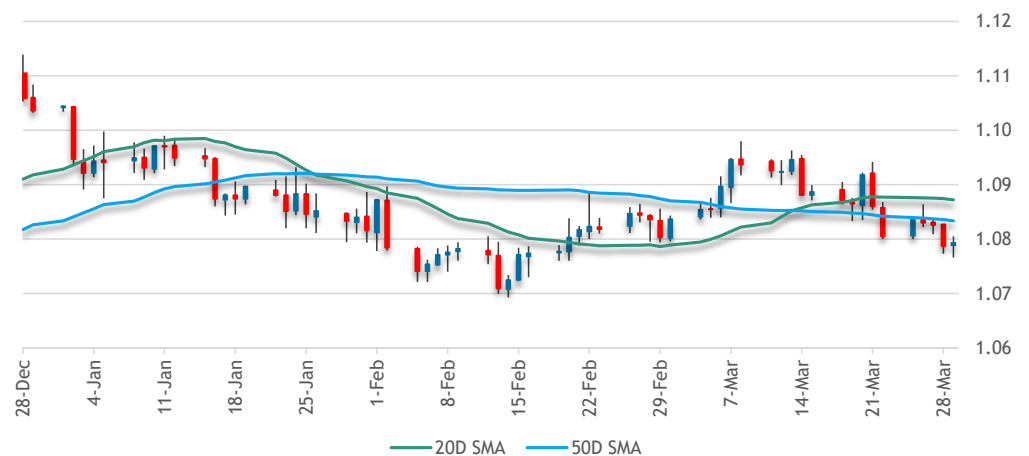
3M %chg
7.27%

COMMENT-Dollar rally vs yen eyes PCE, payrolls to end 7-day sub-152 stall - Reuters

28 Mar 2024 07:21:45 PM

March 28 (Reuters) - For a third consecutive year and seventh straight day, USD/JPY advances have stalled just below 152, most recently amid repeated FX intervention threats by Japanese officials and Treasury-JGB yields spreads settling into ranges below this year and last year's highs. A 152 breakout on hot U.S. data, despite intervention risk, could unleash a rise to Fibi targets by 155. A sub-151 and 10-day moving average close on soft data could target the kijun and cloud top at 149.23 and March's 146.48 trough amid intervention. But increasingly negative USD/JPY risk/reversals and bottoming near-term vols reveal hedging against a USD/JPY pullback, either due to Japanese intervention or underwhelming U.S. data.

EURO



CLOSE
1.0793

1M %chg
-0.09%

3M %chg
-2.20%

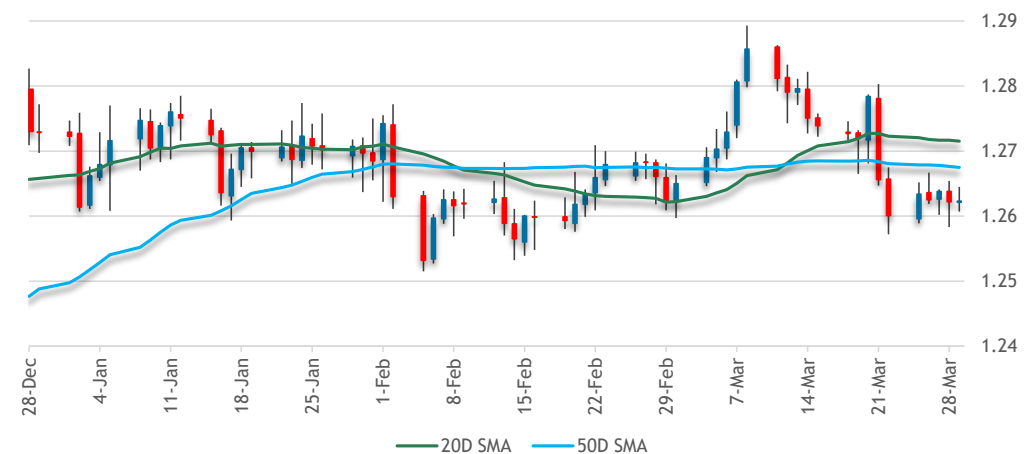
COMMENT-EUR/USD longs hope break turns out to be false - Reuters

28 Mar 2024 06:42:31 PM

March 28 (Reuters) - EUR/USD fell to a 1-month low Thursday and broke support near 1.0800 and the daily cloud base but then rallied sharply which may indicate a false break ahead of key U.S. inflation data Friday. The pair's fall was aided by comments on Wednesday from Fed Governor Christopher Waller, who said there is no rush to cut the policy rate. The comments helped increase the dollar's yield advantage over the euro as German-U.S. 2-yr yield spreads, which EUR/USD is correlated with, widened. EUR/USD got an added boost from final Q4 core PCE coming in at 2.0% versus the prior +2.1%, while the March University of Michigan final reading showed consumers' 1-year and 5-year inflation outlooks, a key pricing gauge for the Fed, dropped from the initial reading.

Forex Market

POUND STERLING



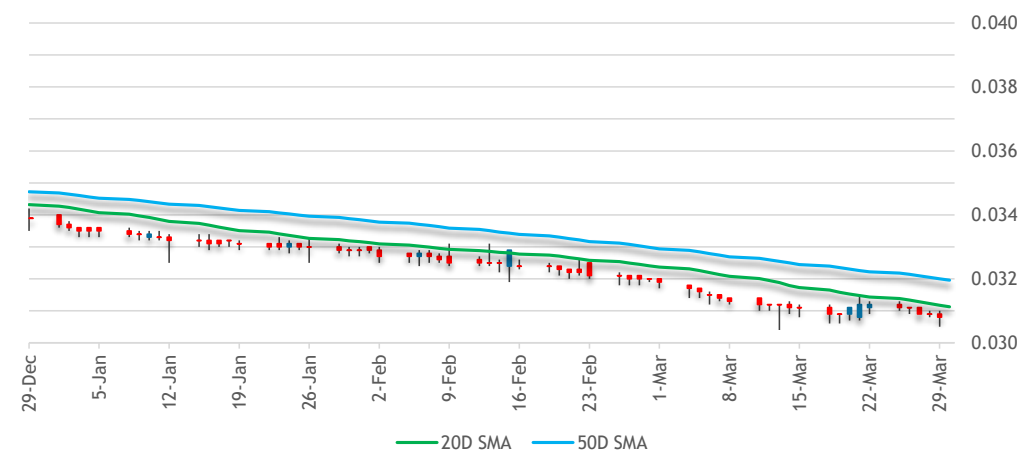
CLOSE **1.2623** 1M %chg **0.00%** 3M %chg **-0.83%**

Sterling ekes out small gain after US core PCE, in light holiday trading - Reuters

29 Mar 2024 08:24:33 PM

- * GBP\$ ending NorAm +0.08% at 1.2632; Friday range 1.2645-10
- * Trading muted owing to equity/bond market closures, holiday liquidity drain
- * Pair rallied after highly anticipated U.S. core PCE came in on-target
- * Powell talk keeps current high-rate Fed narrative intact; all about data
- * USD bid ahead of data, month-end & holiday ebbs into Friday close
- * Support at 1.2610 Friday low, 1.2588 200-DMA, 1.2550 lower 30-d Bolli
- * Res 1.2635 bruised cloud base, 1.2657 100DMA, 1.2689 daily conversion line

TURKISH LIRA



CLOSE **0.0308** 1M %chg **-3.75%** 3M %chg **-9.14%**

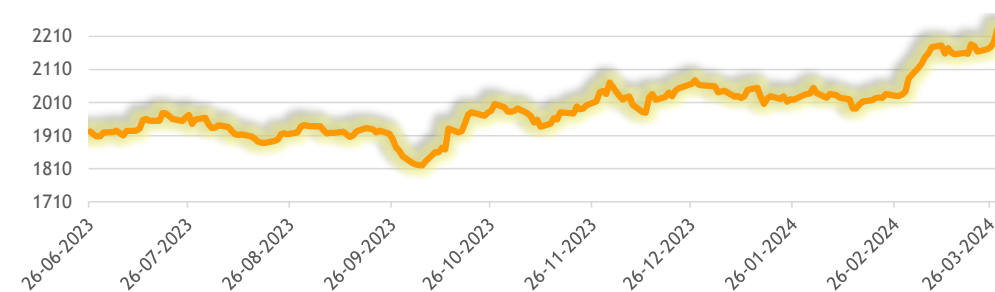
Turkey cenbank net FX reserves fall to \$15.21 bln on March 22 - Reuters

28 Mar 2024 03:52:01 PM

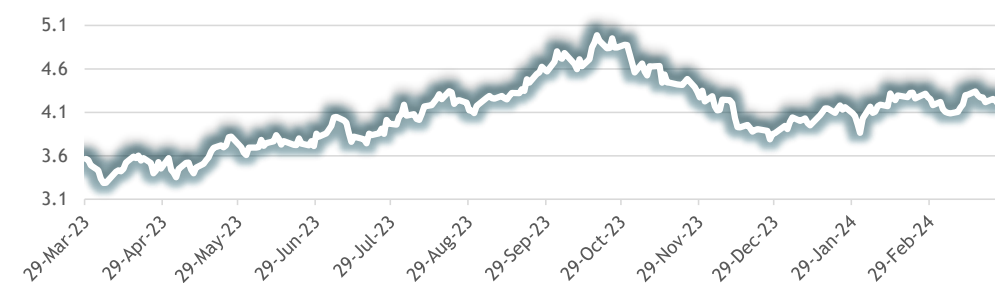
ISTANBUL, March 28 (Reuters) - The Turkish central bank's net international reserves fell some \$4.4 billion to \$15.21 billion in the week to March 22 from \$19.62 billion a week earlier, official data showed on Thursday. Reserves have slipped back this year after rebounding sharply since early June - just after presidential and parliamentary elections - when they were down to minus \$5.7 billion, their lowest since data publication began in 2002. Bankers have said significant part of the net reserves drop was ahead of the central bank's surprise 500 basis point rate hike. The rate used by Reuters on Thursday was 32.3105 lira to the dollar.

Gold, US Treasury & Dollar Index

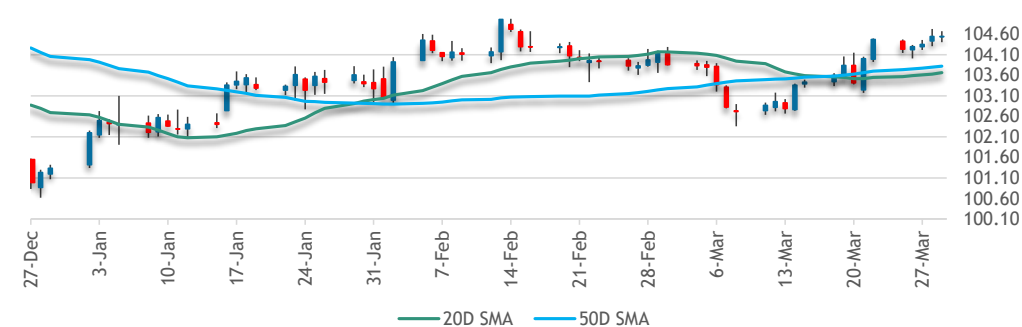
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.19

1M %chg

-1.36%

3M %chg

8.65%

PRECIOUS-Gold hits record highs on safe-haven demand, US rate cut bets - Reuters News

28 Mar 2024 10:25:48 PM

March 28 (Reuters) - Gold prices hit a record high on Thursday, and logged their best month in over three years, propelled by U.S. interest rate cut expectations and strong safe-haven demand. Spot gold XAU= gained 1.2% to \$2,220.85 per ounce, logging its best month since July 2020, at a 9% increase, and a second straight quarterly rise. Bullion hit a record high of \$2,225.09 per ounce earlier in the session. U.S. gold futures GCcv1 settled 1.2% higher at \$2,238.4. Gold could rise further if the markets start to expect a deeper Fed cutting cycle, and has the potential to "hold on to these highs, but we do see signs of buying exhaustion emerging in the very near term," Ghali added. Traders are currently pricing in a 64% chance of a June rate cut, according to CME's FedWatch tool. Silver XAG= gained 0.7% to \$24.82 per ounce, platinum XPT= rose 1.4% to \$906.33 and palladium XPD= added 3% to \$1,012.72. All three metals were bound for monthly gains.

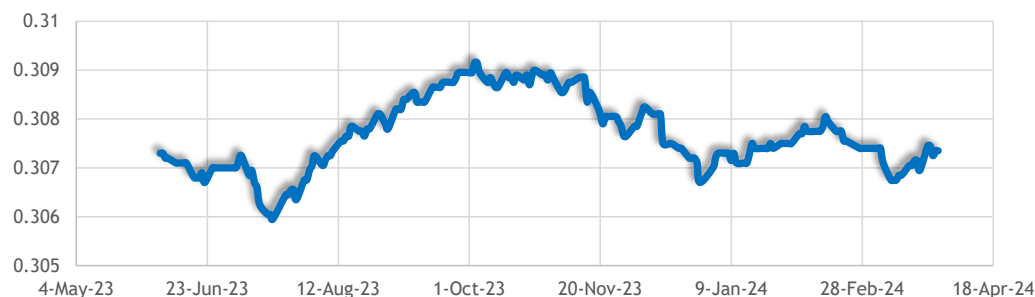
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Tankan Big Mf Idx	JP	31-Mar 05:20	Q1	12	10
Tankan Big Non-Mf Idx	JP	31-Mar 05:20	Q1	30	33
Tankan Big Mf Outlook DI	JP	31-Mar 05:20	Q1	8	11
Tankan big non-mf outlook DI	JP	31-Mar 05:20	Q1	24	30
Tankan All Big Capex Est	JP	31-Mar 05:20	Q1	13.5	9.2
Tankan Small Non-Mf Idx	JP	31-Mar 05:20	Q1	14	15
Tankan Small Mf Idx	JP	31-Mar 05:20	Q1	1	-2
Tankan Sm Mf Outlook DI	JP	31-Mar 05:20	Q1	-1	-2
Tankan All Sm Capex Est	JP	31-Mar 05:20	Q1	10.3	5.7
Tankan Sm Non-Mf Outlook DI	JP	31-Mar 05:20	Q1	7	10
Monetary Base YY*	JP	01-Apr 05:20	Mar	2.10	

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0827	1.0827	1.0773	1.0793	-0.36%
GBP	1.2638	1.2654	1.2583	1.2623	0.01%
JPY	151.32	151.54	151.14	151.31	-0.04%
TRY	0.0309	0.031	0.0308	0.0308	-0.32%
Dollar Idx	104.435	104.727	104.305	104.546	0.00%
Brent	86.41	87.52	86.3	87.48	0.00%
WTC	83.34	84.01	83.02	83.96	0.00%
Gold	2193.7251	2234.99	2187.0627	2232.3757	0.00%
KWSE Index	7387.46	7411.23	7353	7374.02	0.09%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.50	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

0.30735

0.21%

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	5.56
SW	0.00	6M	5.65
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	07-Mar-'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 fourth-quarter growth revised up; weekly jobless claims fall - Reuters News

WASHINGTON, March 28 (Reuters) - The U.S. economy grew faster than previously estimated in the fourth quarter, lifted by strong consumer spending and business investment in nonresidential structures like factories. Gross domestic product increased at a 3.4% annualized rate last quarter, revised up from the previously reported 3.2% pace, the Commerce Department's Bureau of Economic Analysis said in its third estimate of fourth-quarter GDP. When measured from the income side, the economy expanded at a robust 4.8% rate. Gross domestic income (GDI) increased at a 1.9% pace in the July-September quarter.

Britain to slow rise of minimum wage from 2025, government says - Reuters News

LONDON, March 28 (Reuters) - Britain's government has ended its push to use increases in the minimum wage to narrow the gap between the lowest earners and those on higher pay, offering some relief to employers after this year's nearly 10% jump. Britain's minimum wage for workers aged 21 and over will rise to 11.44 pounds (\$14.45) an hour in April - hitting two thirds of median earnings for workers in that age group, and one of the highest among advanced economies. Britain first introduced a minimum wage 25 years ago to address the problem of pay inequality.

Canada's GDP rebounds in January, likely up 0.4% in February - Reuters News

OTTAWA, March 28 (Reuters) - Canada's gross domestic product strongly rebounded in January exceeding expectations and February's preliminary estimates point to another expansion, data showed on Thursday, tempering pressure on the Bank of Canada (BoC) for an early rate cut. The economy grew by 0.6% in January, its fastest growth rate in a year, which the Statistics Canada called a broad-based expansion led by a bounce back in education services benefiting from an end of public sector strikes in Quebec. Analysts polled by Reuters had forecast a GDP growth of 0.4% on a month-on-month basis in January.

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Tokyo inflation slowdown, output slide clouds BOJ's rate hike outlook - Reuters News

TOKYO, March 29 (Reuters) - Core inflation in Japan's capital slowed in March and factory output unexpectedly slid in the previous month, heightening uncertainty on how soon the Bank of Japan can raise interest rates again after exiting its radical monetary stimulus. Core consumer price index in Tokyo, an early indicator of nationwide figures, rose 2.4% in March from a year earlier, matching a median market forecast and slowing slightly from a 2.5% gain in February. A separate index that excludes the effect of both fresh food and fuel costs, viewed as a broader price trend indicator, also showed inflation slowing to 2.9% in March from 3.1% in February, data showed on Friday.

Brazil central bank's June decisions will be more data dependent, says governor

BRASILIA, March 28 (Reuters) - Brazil's central bank lacks a clear view of the steps it may take at its June meeting, making it more dependent on what the data shows, governor Roberto Campos Neto said on Thursday, as uncertainty weighs on the scale of future rate cuts. Policymakers emphasized this week that uncertainties around the pace at which inflation will fall, both at home and abroad, had led them to revise their forward guidance, now anticipating another 50-basis-point cut at one upcoming meeting, in May, having previously flagged reductions on more than one occasion. Private economists surveyed weekly by the central bank expect output to grow by 1.85% this year.

Oil rises more than \$1 a barrel on tighter supply outlook

NEW YORK, March 28 (Reuters) - Oil prices jumped more than \$1 a barrel on Thursday, closing out the month higher on the prospect of OPEC+ staying the course on production cuts, ongoing attacks on Russia's energy infrastructure and a falling U.S. rig count tightening crude supplies. Brent crude futures for May LCOc1 settled at \$87.48 a barrel, its highest level since Oct. 27, after gaining \$1.39, or 1.6%. The more actively traded June contract LCOc2 settled at \$87 a barrel, rising \$1.58, with the May contract expiring on Thursday. U.S. West Texas Intermediate (WTI) crude futures CLc1 for May delivery settled at \$83.17 a barrel, rising \$1.82, or 2.2%.