



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

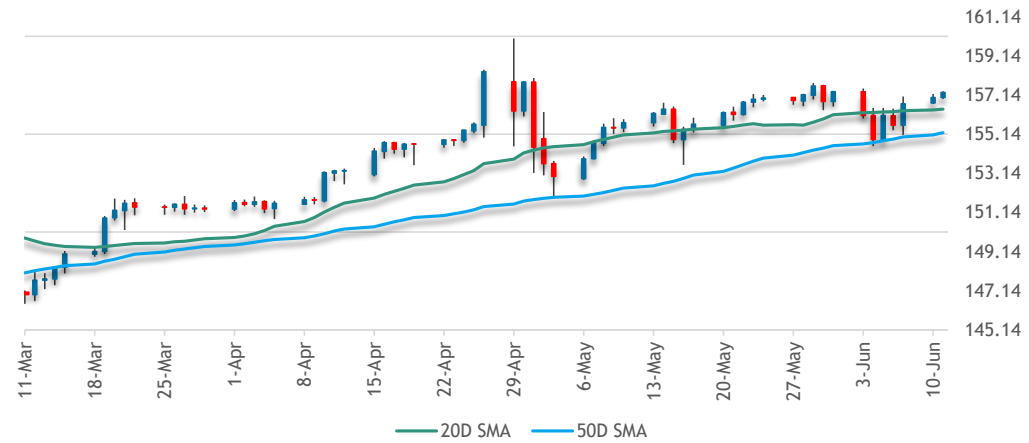
## KFH Treasury



*Report produced on*  
**Tue, 11-Jun-2024**

# Forex Market

## JAPANESE YEN



CLOSE  
**157.02**

1M %chg  
**0.83%**

3M %chg  
**6.77%**

### USD/JPY-Cautiously bid as risk events loom; downside limited

11 Jun 2024 04:09:20 AM

- \* USD/JPY likely to remain well supported after closing 0.2% higher Monday
- \* Supported by elevated U.S. yields as Fed rate cut optimism wanes
- \* Trading likely to remain cautious ahead of key risk events this week
- \* BOJ's tapering plan which is to be key topic at June 13-14 meeting awaited
- \* JGB yields watched; 10-yr yield jumps 4.5bps Mon, biggest rise in two months
- \* Resistance 157.20, 157.50, 157.70, May 29 high; support 156.50, 156.10-20
- \* Monday range 156.60-157.19

## EURO



CLOSE  
**1.0763**

1M %chg  
**-0.06%**

3M %chg  
**-1.59%**

### EUR/USD-Longs kicked when they were already down

10 Jun 2024 04:08:19 PM

- \* EUR/USD fell below the 200- & 55-DMAs and the daily cloud, 1-month low hit
- \* Call for French elections by Pres. Macron fueled investors uncertainty
- \* French 10-year yields rallied sharply on the election news
- \* EUR/USD traded 1.07993-1.0733 on EBS, NY opened near 1.0740, was down -0.45%
- \* US yield rally extension after May NFP added weight on EUR/USD
- \* EUR/USD pierced the daily cloud base but meagerly bounced back above it
- \* Techs lean bearish; RSIs are falling, pair below slew of daily MAs

# Forex Market

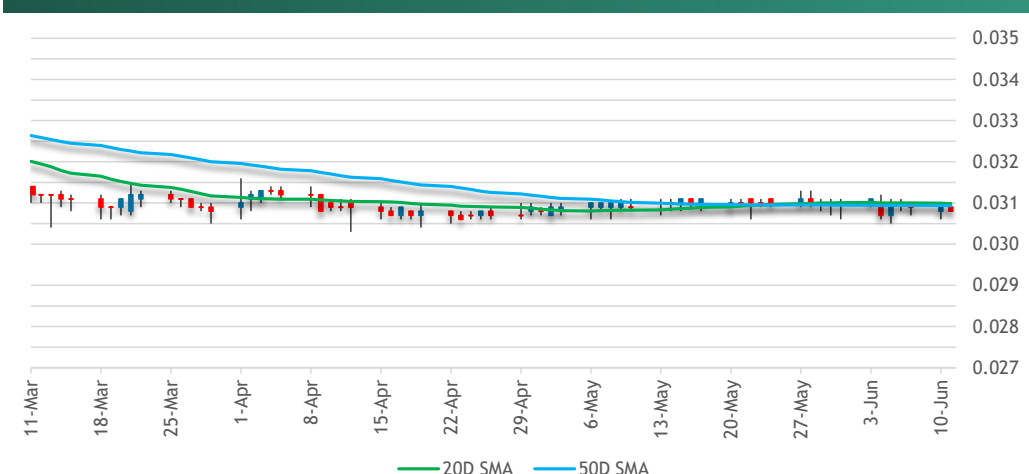
## POUND STERLING



CLOSE **1.2730** 1M %chg **1.67%** 3M %chg **-0.99%**

**Sterling steady pre-UK jobs data Tuesday; US price, Fed rate decision Wednesday**  
 10 Jun 2024 09:37:15 PM  
 \* GBP\$ up a touch in NY afternoon, +0.03% at 1.2727; NY range 1.2737-1.2696  
 \* Pair shrugs off EU political kerfuffle; ECB policy rate uncertainty  
 \* Tues UK employment data; Wed's US CPI and Fed rate decision/presser in focus  
 \* Sterling vulnerable after US payrolls, 1.28 remains upside obstacle  
 \* UK-U.S. policy paths, as indicated on LSEG's IRPR pages largely symmetrical  
 \* Fri's upbeat payroll data diminished dovish Fed expectations; lifted USD  
 \* GBP\$ res 1.2744 Monday high, 1.2754 the 10-DMA, 1.2825 Friday high  
 \* Support 1.2689 Monday Europe low, 1.2660 30-DMA, 1.2596 50% of 1.2894 1.2299

## TURKISH LIRA

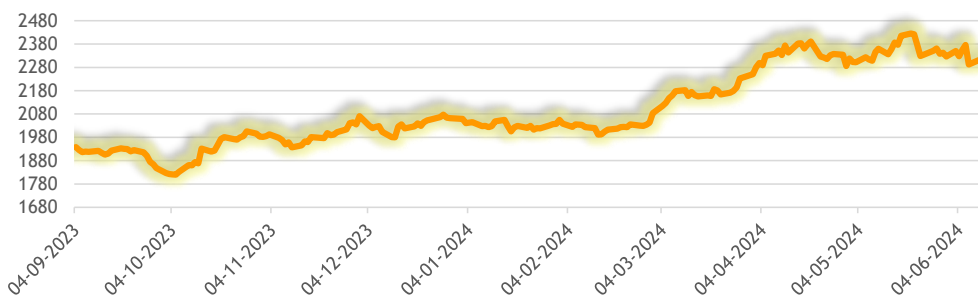


CLOSE **0.0309** 1M %chg **0.00%** 3M %chg **-1.28%**

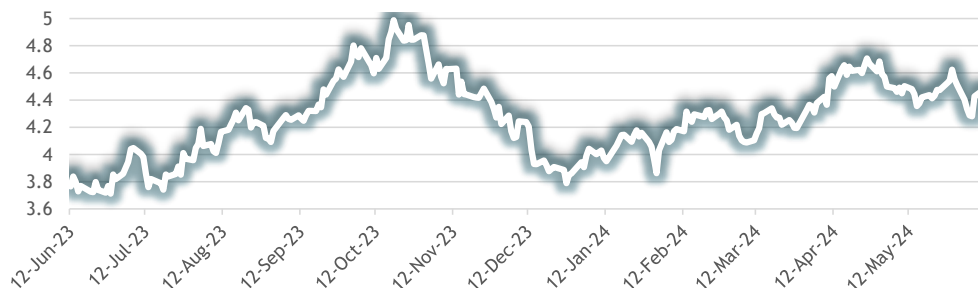
**USD/TRY shorts have reassurance of state bank offers**  
 10 Jun 2024 01:19:15 PM  
 \* State bank said to have sold USD/TRY above 32.60 early last week  
 \* Reassuring for the many who are said to be invested in long TRY trade  
 \* However, traders note good interest to absorb inflows toward 32.20  
 \* Should help to keep USD/TRY tied to those ranges for now  
 \* 21-daily moving average currently helps to support USD/TRY at 32.2646

# Gold, US Treasury & Dollar Index

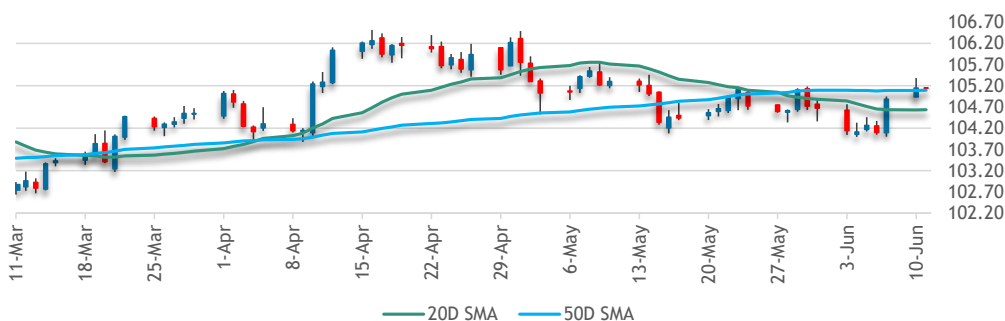
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.45**

1M %chg

**-0.78%**

3M %chg

**9.32%**

### PRECIOUS-Gold slips as markets eye outcome of Fed meet, CPI data

11 Jun 2024 07:51:09 AM

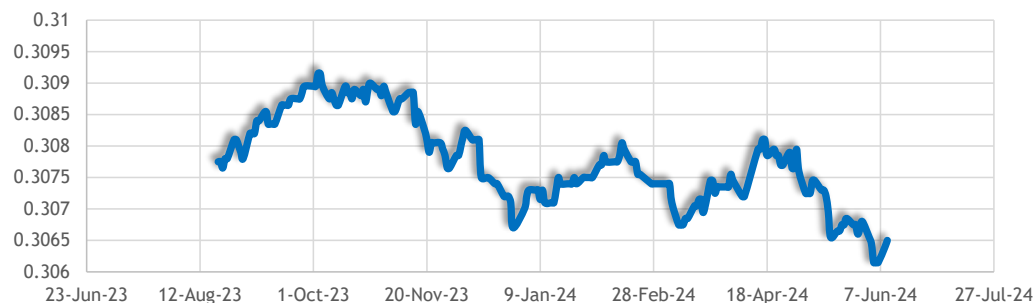
June 11 (Reuters) - Gold prices fell on Tuesday with investors awaiting key U.S. inflation data and the outcome of the Federal Reserve's policy meeting for details of the central bank's plans to cut interest rates against its inflation target. Spot gold was down 0.3% at \$2,302.89 per ounce. U.S. gold futures fell 0.3% to \$2,320.20. Updated economic projections from Fed officials this week are expected to show fewer interest rate cuts than policymakers anticipated three months ago amid unexpectedly sturdy inflation. "I suspect the Fed's hands are tied following the strong payrolls report, as it likely doesn't enable them to signal the September cut that traders desperately want to hear. And that could see gold take another dent or two amid rising yields and the U.S. dollar," said City Index senior analyst Matt Simpson. China, the biggest official sector buyer of gold, is expected to resume its bullion shopping spree once prices ease from the record highs hit in May. In other metals, spot silver fell 1.9% to \$29.22 per ounce, platinum was down 0.6% at \$962.20 and palladium lost 1.1% to \$893.60.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Corp Goods Price MM	JP	11-Jun 05:20	May	0.3	0.4
Corp Goods Price YY	JP	11-Jun 05:20	May	0.9	2.0
Claimant Count Unem Chng*	GB	11-Jun 11:30	May	8.9	
NFIB Business Optimism Idx	US	11-Jun 15:30	May	89.70	
Redbook YY *	US	11-Jun 18:25	w/e	5.8	
RICS Housing Survey*	GB	12-Jun 04:31	May	-5	-6
Foreign Bond Investment	JP	12-Jun 05:20	w/e	1323.4	
Business Survey Index*	JP	12-Jun 05:20	Q2	-6.7	
Foreign Invest JP Bonds*	JP	12-Jun 05:20	w/e	337.4	
Foreign Stock Investment*	JP	12-Jun 05:20	w/e	-588.7	
Foreign Invest JP Stock	JP	12-Jun 05:20	w/e	282.0	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0795	1.0796	1.0731	1.0763	-0.34%
GBP	1.2721	1.2737	1.2685	1.273	0.07%
JPY	156.73	157.19	156.68	157.02	0.20%
TRY	0.0308	0.031	0.0306	0.0309	0.00%
Dollar Idx	104.935	105.385	105.037	105.15	0.25%
Brent	79.38	82.17	79.34	81.63	2.52%
WTC	77.38	78.8	76.8	78.75	2.90%
Gold	2294.88	2313.64	2286.69	2310.6008	0.78%
KWSE Index	7067.87	7074.39	7055.31	7055.31	0.02%

## 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

**0.30650**

**-0.08%**

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	5.60
SW	0.00	6M	5.70
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	06-Jun-'24	4.25	4.50	-0.25
BOE Bank Rate	09-May-'24	5.25	5.25	0.00
BOJ Prime Rate	11-Jun-'24	1.80	1.70	0.10
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50

## KEY INTERNATIONAL STORIES

### NY Fed survey finds mixed views on future path of inflation in May

June 10 (Reuters) - The U.S. public's outlook on the future path of inflation was mixed in May, according to a report on Monday from the Federal Reserve Bank of New York. The bank found that as part of its monthly survey on the state of consumer expectations that the public believes inflation a year from now will be 3.2% compared with April's expectation of 3.3%, while three years from now expected inflation held steady at 2.8%. Five years from now survey respondents see inflation at 3% from April's projected 2.8%. The survey also found that the expected rise in home prices held steady at 3.3% last month, while the year-ahead expected rise for gasoline prices was flat at 4.8%.

### UK job market on its way back after downturn, recruiters say

LONDON, June 10 (Reuters) - A fall in permanent hiring by employers in Britain was its least severe in more than a year in May and the recruitment market appears to be poised for a recovery, an industry survey showed on Monday. In a report that will be studied by the Bank of England as it weighs up when to start cutting interest rates, the Recruitment and Employment Confederation said permanent hiring fell by the smallest amount in 14 months. The REC survey has generally painted a weaker picture of the labour market than broader official data, which showed annual wage growth of 6% in the first quarter of 2024. Vacancies fell at the slowest pace in a seven-month downturn.

### Canada defends capital gains tax hike, says it will keep borrowing low

OTTAWA, June 10 (Reuters) - A planned hike in the capital gains tax for the wealthiest will help keep Canada's borrowing low and fund social programmes, Finance Minister Chrystia Freeland said on Monday. Freeland in April revealed a new tax on the wealthy to bring in C\$20 billion (\$14.54 billion) over five years to help fund an ambitious housing program that aims to resolve a crisis that has shrunk Prime Minister Justin Trudeau's approval ratings. Canada is increasing its annual spending by over a quarter to C\$608.7 billion until 2028-29, according to the budget document, which includes over C\$57 billion of new spending.

### Australia business conditions soften in May, cost pressures pick up

SYDNEY, June 11 (Reuters) - Australian business conditions eased further in May to below their long-run average as growth in sales and profits slowed, a survey showed on Tuesday, while cost pressures showed signs of re-accelerating. The survey from the National Australia Bank (NAB) revealed its index of business conditions fell 1 point to +6, just below its long-run average. That was driven by declines in sales and profits indices, although the employment index rose after a tumble the month before. Its business confidence index fell 5 points to -3. Quarterly growth in retail prices jumped to 1.6% from 1.0% before, while increases in labour costs and purchasing costs also picked up to 2.3% and 1.9%, from 1.5% and 1.3% previously.

### Thailand aiming for at least 3% growth this year, more tourists

BANGKOK, June 10 (Reuters) - Thailand is aiming to achieve at least 3% economic growth this year and seeks to attract more foreign tourists and accelerate public and private investment, the finance minister said on Monday. Growth in Southeast Asia's second-largest economy has lagged regional peers as it confronts high household debt and borrowing costs alongside China's slow recovery. Last year's expansion was 1.9%, with average annual growth at 1.73% over the past decade. Thailand is planning to increase the number of foreign tourists this year by a million to 36.7 million to help the economy, Pichai Chunhavajira told a news conference. The government wants at least 70% of a 2024 investment budget disbursed by the end of the fiscal year to September, he said.

### Oil edges down as cautious investors await Fed meet, US CPI data

June 11 (Reuters) - Oil prices traded lower on Tuesday, as investors waited for key U.S. inflation data and the outcome of the Federal Reserve's policy meeting to glean a clearer picture of where inflation is heading, and how that will affect fuel demand. Brent crude futures fell 11 cents, or 0.13%, to \$81.52 per barrel and U.S. West Texas Intermediate crude futures slipped 3 cents, or 0.04%, to \$77.71. Prices had climbed about 3% to a one-week high on Monday, buoyed by expectations that the Northern Hemisphere summer vacation season will boost fuel demand this summer, a gain some analysts said was likely to be shortlived given the prospect of higher interest rates remained.

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