



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

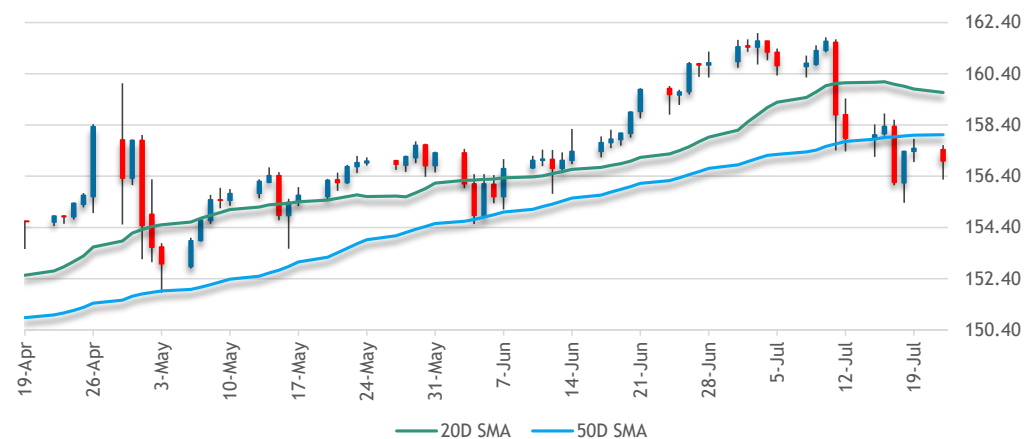
KFH Treasury



Report produced on
Tue, 23/Jul/2024

Forex Market

JAPANESE YEN



CLOSE
157.00

1M %chg
-1.75%

3M %chg
1.39%

USD/JPY, JPY crosses heavy on continuing JPY buy-backs

23 Jul 2024 07:52:15 AM

- * USD/JPY off in Asia, from 157.09 high early to 156.35 EBS
- * Continuing JPY buy-backs noted not only vs USD but across the board
- * USD/JPY towards rendezvous with ascending daily Ichi cloud
- * Cloud 155.91-156.30 today, also ascending 100-DMA below at 155.34
- * Hourly Ichi cloud between 156.61-157.40 now to provide resistance
- * Large option expiries today on 157 helped cap spot early, chunky on 155
- * Treasury 2s @4.511%, 10s @4.240%, JGB yields firm too, 10s @1.065%
- * JPY crosses heavy too on across-the-board JPY buy-backs

EURO



CLOSE
1.0889

1M %chg
1.85%

3M %chg
2.21%

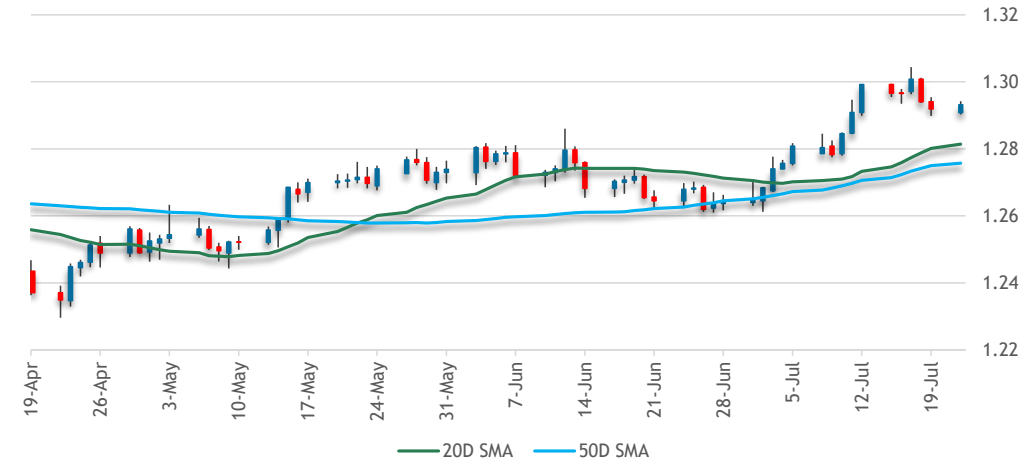
EUR/USD back to doing little in Asia, range-bound

23 Jul 2024 07:08:02 AM

- * EUR/USD back to doing little in Asia after some volatility yesterday
- * Asia 1.0888-94 EBS, quiet, range yesterday 1.0874-1.0903
- * Market looking for continued range-trade into Europe, maybe beyond
- * Spot on hold most above still ascending daily Ichi tenkan at 1.0889
- * Hourly charts shows spot skirting base of 1.0889-1.0908 Ichi cloud
- * Ascending 200-HMA nearby at 1.0893, descending 55-HMA at 1.0888
- * 1.0825-50 total E1 bln, 1.0875-85 E1.1 bln, 1.0930-60 E745 mln
- * Massive above tomorrow however with E3.2 bln up at 1.0990

Forex Market

POUND STERLING



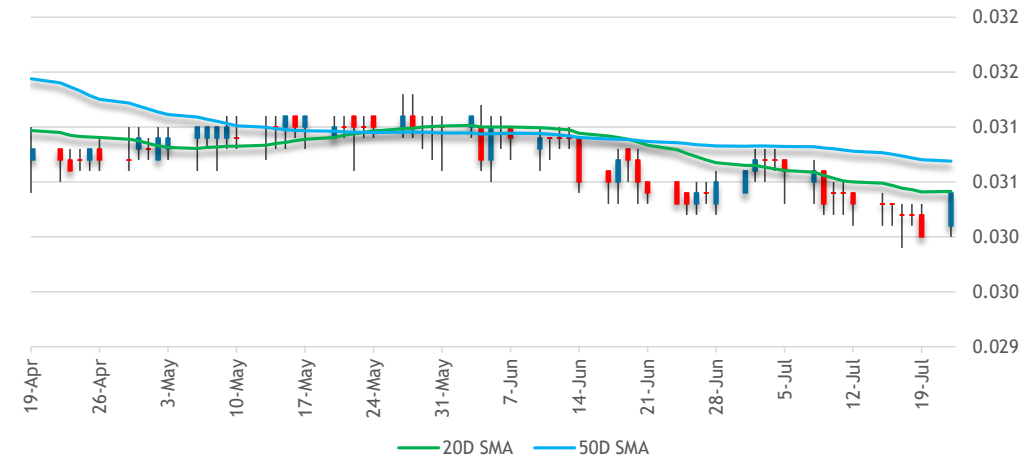
CLOSE **1.2932** 1M %chg **2.27%** 3M %chg **4.72%**

GBP/USD-Holds ground, awaits fresh catalysts

23 Jul 2024 07:01:07 AM

- * GBP/USD consolidates as traders await UK, U.S. data due later this week
- * Rallies likely to be limited as overbought conditions still persist
- * GBP long positions up for 3rd consecutive week to all time \$10.769 bln high
- * UK S&P Global Composite PMI Wed awaited for clues on BOE rate stance
- * U.S. advance Q2 GDP Thu and Friday's core PCE price index key for Fed policy
- * Support 1.2879, 38.2% of June-July rally; resistance 1.2950, 1.3000-10
- * Asia range 1.2925-1.29335

TURKISH LIRA



CLOSE **0.0304** 1M %chg **0.00%** 3M %chg **-0.98%**

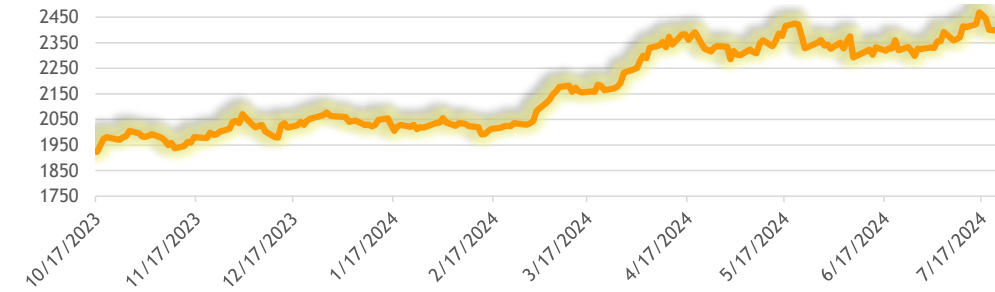
Turkey - Factors To Watch

23 Jul 2024 08:21:56 AM

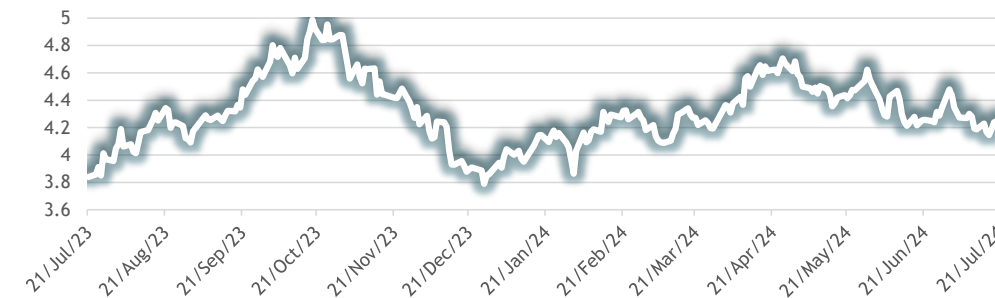
ISTANBUL, July 23 (Reuters) - The lira traded at 32.8900 against the U.S. dollar, after closing at 32.9105 on Monday. The main BIST 100 share index closed 0.15% higher at 11,172.75 points on Monday. The central bank will hold its monthly monetary policy committee meeting and announce its decision on interest rates, which it is expected to hold steady at 50%, maintaining hawkish guidance in the face of inflation still above 71%. The Treasury will tap a nine-year fixed coupon bond maturing on Oct. 5, 2033. It will also receive bids for a two-year lira-denominated sukuk to banks through the direct sale method.

Gold, US Treasury & Dollar Index

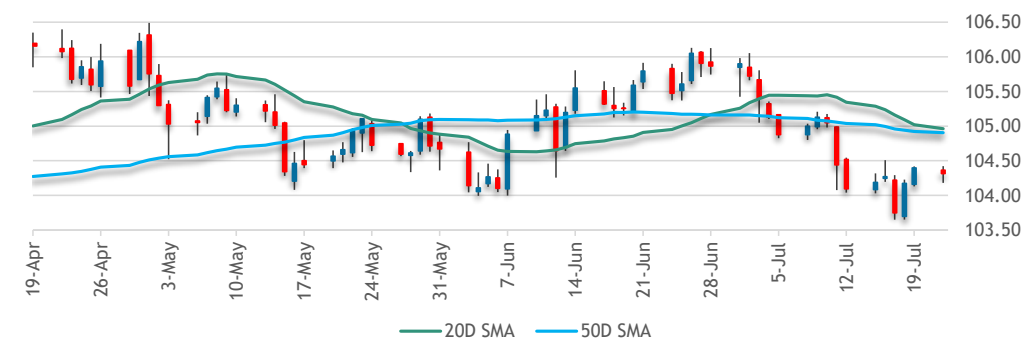
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.26

1M %chg

0.07%

3M %chg

-7.85%

PRECIOUS-Gold prices inch higher with US economic data in focus

23 Jul 2024 06:42:00 AM

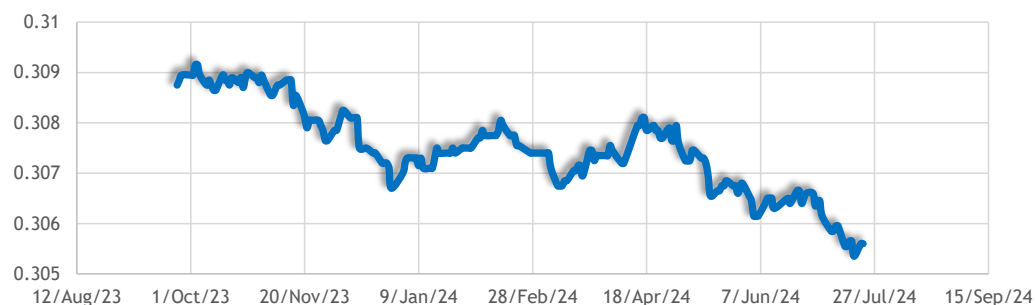
July 23 (Reuters) - Gold prices edged higher on Tuesday as the dollar remained subdued, while investors strapped in for U.S. economic data this week for clarity on the timeline for Federal Reserve's interest rate cut. Spot gold was up 0.2% at \$2,401.22 per ounce. U.S. gold futures added 0.4% to \$2,403.60. Traders will eye the report on second-quarter gross domestic product (GDP) on Thursday and personal consumption expenditures (PCE) data for June on Friday. "Gold looks quite comfortable around \$2,400 for now, so there is the chance of a minor bounce heading into GDP," City Index senior analyst Matt Simpson said. But, "should growth surprise to the upside, I still think gold can hold above \$2,360 in the current environment." Gold prices scaled an all-time high of \$2,483.60 last week, with markets broadly pricing in a 25-basis-point U.S. rate cut by September. Lower rates reduce the opportunity cost of holding bullion. Spot silver fell 0.2% to \$29.14, platinum firmed 0.4% to \$951.13 and palladium gained 0.1% to \$908.43.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Redbook YY *	US	23/Jul 18:25	w/e	4.8	
Consumer Confid. Flash *	EU	23/Jul 19:30	Jul	-14.0	-13.4
Existing Home Sales	US	23/Jul 19:30	Jun	4.11	4.00
Exist. Home Sales % Chg	US	23/Jul 19:30	Jun	-0.7	
Rich Fed Mfg Shipments*	US	23/Jul 19:30	Jul	-9	
Rich Fed Comp. Index*	US	23/Jul 19:30	Jul	-10	
Rich Fed, Services Index*	US	23/Jul 19:30	Jul	-11	
Foreign Bond Investment	JP	24/Jul 05:20	w/e	-208.9	
Foreign Invest JP Bonds*	JP	24/Jul 05:20	w/e	770.5	
Foreign Stock Investment*	JP	24/Jul 05:20	w/e	-136.3	
Service PPI*	JP	24/Jul 05:20	Jun	2.50	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.088	1.0902	1.0871	1.0889	0.11%
GBP	1.2908	1.2942	1.2903	1.2932	0.10%
JPY	157.44	157.61	156.27	157	-0.31%
TRY	0.0301	0.0304	0.03	0.0304	1.33%
Dollar Idx	104.365	104.424	104.181	104.314	-0.08%
Brent	82.8	83.22	81.6	82.4	-0.28%
WTC	80.92	81.45	80.47	81.25	-0.22%
Gold	2399.9099	2412.09	2383.79	2397.6475	-0.13%
KWSE Index	7080.39	7117.62	7071.55	7117.62	0.64%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.31	3M	4.25
SW	3.75	6M	4.44
1M	4.00	1Y	4.69

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30560

-0.73%

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	5.06	3M	5.54
SW	0.08	6M	5.56
1M	5.46	1Y	6.04
2M	0.15		

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	18/Jul/'24	4.25	4.25	0.00
BOE Bank Rate	20/Jun/'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

Fed may be on cusp of emerging from 'elevated' inflation blues

WASHINGTON, July 22 (Reuters) - In September 2021, after absorbing three months of price hikes that were more than double the Federal Reserve's 2% target, U.S. central bank staff and policymakers shifted from their more passive tone about inflation and began describing it as "elevated". Triggered after the personal consumption expenditures price index used by the Fed to set its inflation target topped 4% in May, June and July of that year, the elevated inflation description remains in the rate-setting Federal Open Market Committee's policy statement to this day, even with the PCE now down to 2.6% and, it seems, still falling. The Fed's inflation benchmark would continue rising from there, peaking at 7.1% in June 2022.

Four years after pandemic shock, UK household saving stays high

LONDON, July 22 (Reuters) - A jump in British household saving since the COVID-19 pandemic appears here to stay and cannot be fully explained by higher interest rates or unemployment fears, according to the country's statistics agency. Analysis published on Monday from the Office for National Statistics showed Britain's households saved 11.1% of their income in the first three months of this year, up from 5.8% in the final quarter of 2019. This was the highest rate since 2010, excluding the start of the pandemic when it spiked to 27.4%. Britain's persistent increase in the household savings rate contrasts with the United States and, to a lesser extent, the euro zone.

Bank of Canada expected to cut rates this week as inflation slows

OTTAWA, July 22 (Reuters) - The Bank of Canada is widely expected to cut its key overnight rate on Wednesday for a second time in as many months, after recent data showed a further easing of consumer price inflation, restrained spending and a lackluster economic outlook. The BoC trimmed its policy interest rate by 25 basis points to 4.75% last month after keeping it at its highest in more than two decades for nearly a year. In making its first cut in four years, it became the first Group of Seven central bank to do so since the pandemic. Even so, inflation is still near the top of the bank's target range of 1%-3%.

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China's fiscal revenue shrinks 2.8% on year in first half

BEIJING, July 22 (Reuters) - China's fiscal revenue slid 2.8% in the first half of 2024 from a year earlier, unchanged from a 2.8% fall in the January-May period, official data showed on Monday, as prolonged weakness in domestic demand dampened the outlook for an economic recovery. Fiscal expenditure was up 2% in the first half, against a 3.4% increase in the first five months, according to finance ministry data. For June alone, fiscal revenue posted a 2.6% contraction year-on-year, versus a 3.2% drop in May, while fiscal spending skidded 3%, reversing a 2.6% gain in May, according to Reuters' calculations based on the ministry's data. China's economic slowdown was worse than anticipated in the second quarter as the housing downturn and weak demand dragged on the recovery.

Brazil raises primary deficit forecast, confirms spending freeze

BRASILIA, July 22 (Reuters) - Brazil's government widened its primary deficit forecast for this year to 32.6 billion reais (\$5.9 billion) on Monday, prompting a spending freeze to meet the fiscal target. The shortfall, released in the Planning and Finance ministries' bi-monthly revenue and expenditure report, corresponds to a primary deficit of 0.3% of gross domestic product. In May, when the last report was released, the forecast was for a primary deficit of 14.5 billion reais, or 0.1% of GDP. The fiscal target for this year is to eliminate the primary deficit, which excludes interest payments, with a tolerance margin of 0.25 percentage points of GDP in either direction. The government announced it will freeze 3.8 billion reais in expenditures to achieve this lower limit.

Oil steadies, weighed down by predicted surplus amid weak demand

SINGAPORE, July 23 (Reuters) - Oil prices steadied on Tuesday after falling for the past two sessions, as investors remained cautious amid expectations of plentiful supplies and weak demand, while brushing off the U.S. presidential campaign upheaval. Brent crude futures for September rose 2 cents to \$82.42 a barrel. U.S. West Texas Intermediate crude for September dipped 2 cents to \$78.38 per barrel. Instead, the market focused on fundamentals, which Morgan Stanley analysts said were likely to balance out by the fourth quarter and rise to a supply surplus by next year, which would drag down Brent prices to the mid-to-high \$70s per barrel range.