



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

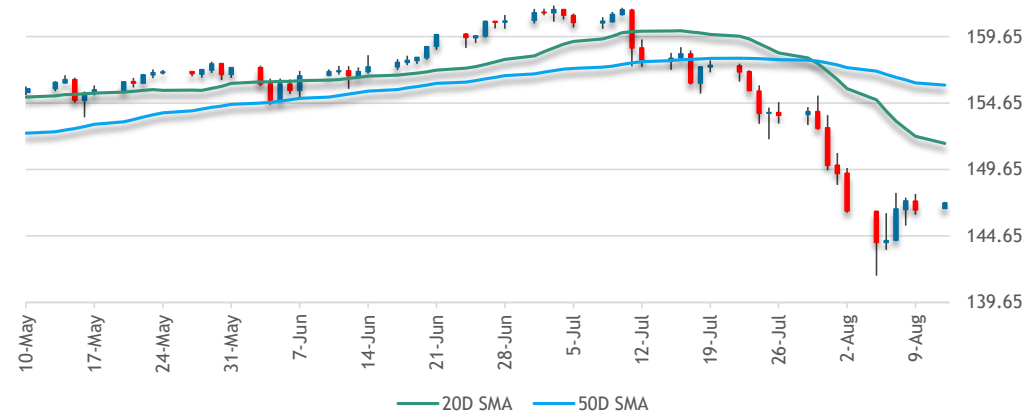
## KFH Treasury



*Report produced on*  
**Mon, 12-Aug-2024**

# Forex Market

## JAPANESE YEN



CLOSE 1M %chg 3M %chg

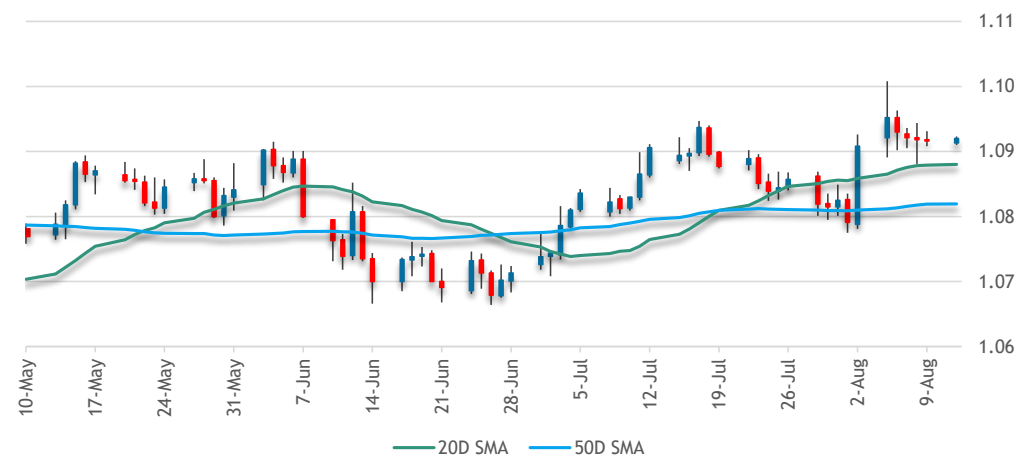
**146.61** -9.11% -5.69%

### USD/JPY bearish outlook may hold, awaiting US CPI trigger

12 Aug 2024 06:53:57 AM

- \* USD/JPY gives up opening gains to last trade 146.89
- \* Narrow range of 146.89-147.05 traded; chart still bearish
- \* Bollinger downtrend channel affirmed on close below 146.96
- \* Closing below 23.6% Fibo 146.46 will strengthen negative bias
- \* Thin trading seen due to Japan financial market holiday
- \* Pivotal US CPI data due Wed also keeps traders hesitant

## EURO



CLOSE 1M %chg 3M %chg

**1.0916** 0.96% 1.25%

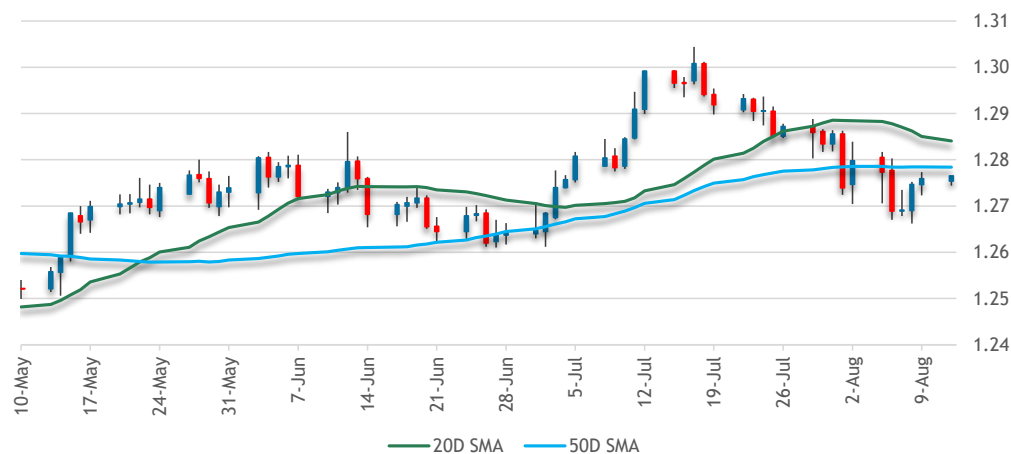
### EUR/USD trapped in narrow range with key US price data eyed

12 Aug 2024 06:56:09 AM

- \* EUR/USD steady in narrow range, trading muted with Japan out
- \* Small range 1.0912-1.0923 seen early Mon, last 1.0919
- \* 23.6% Fibo support at 1.0913 props up on shallow dips
- \* Entrance of Bollinger uptrend channel 1.0927 deters rallies
- \* Asia stocks mixed as focus turns to US CPI data on Wed
- \* Fed speakers lined up; some turn slightly dovish

# Forex Market

## POUND STERLING



CLOSE

**1.2759**

1M %chg

**-0.19%**

3M %chg

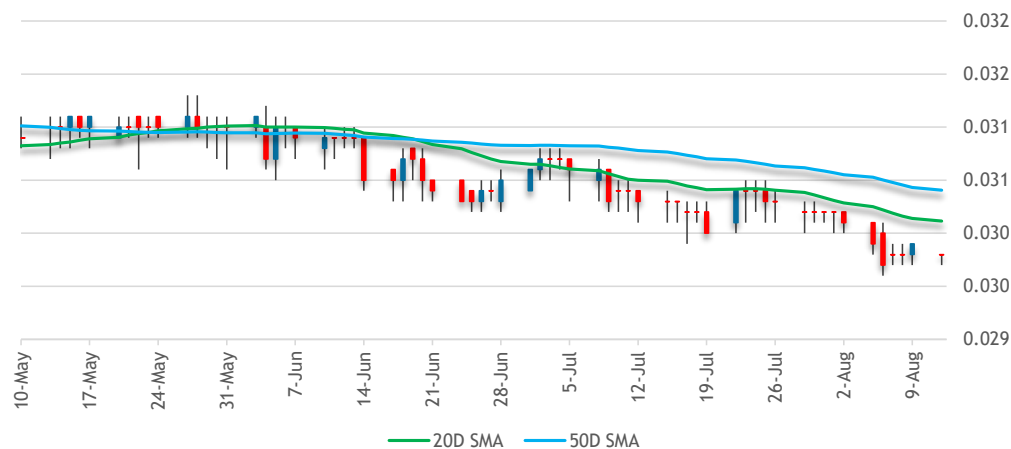
**1.89%**

**COMMENT-Sterling bears turn tail, bulls eye 10-DMA resistance by 1.2774**

09 Aug 2024 06:03:47 PM

GBP/USD is soft on the day, -0.14% at 1.2735 in early NorAm, but is holding above its daily cloud (1.2726-1.2653), which gives bulls hope. This after repeated tests of 100-DMA support in the mid-1.2680's, and though the 200-DMA to 10-DMA range has held, bulls are poised to test recent highs after a series of failures on the downside. The sterling slide to 5-week lows at 1.2666 on Thursday, just above 200-DMA support at 1.2663, came amid a perfect storm for bears. Sterling bulls received a reprieve with the release of better-than-forecast services PMI on Monday, and softer than forecast claims data Thursday, which hinted the slowdown in the U.S. was not as extreme as thought after last Friday's payrolls miss.

## TURKISH LIRA



CLOSE

**0.0299**

1M %chg

**-1.32%**

3M %chg

**-3.55%**

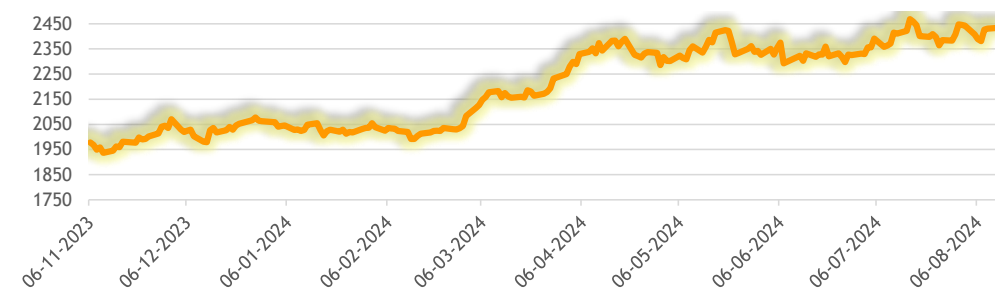
**Turkish cenbank inflation forecasts unchanged, vows tight policy**

08 Aug 2024 01:29:53 PM

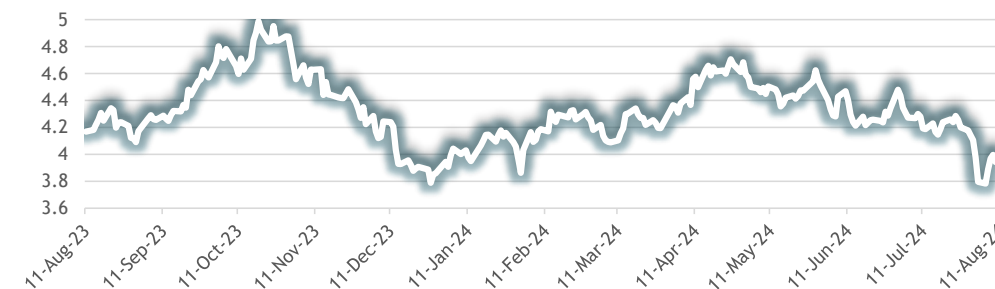
ANKARA, Aug 8 (Reuters) - The Turkish Central Bank has left its mid-point inflation forecasts for end-2024 and end-2025 unchanged at 38% and 14% respectively, Governor Fatih Karahan said on Thursday, vowing to maintain a tight monetary policy stance. In a briefing on the bank's latest quarterly inflation report, Karahan said that inflation was projected to fall to 9% by the end of 2026. Turkish annual consumer price inflation eased to 61.78% in July, accelerating what is expected to be a sustained slide. Economists see end-year inflation around 42%. The lira TRY/TOM=D3 was largely flat at 33.5225 to the dollar after his comments, having touched a record low of 33.6700 earlier this week.

# Gold, US Treasury & Dollar Index

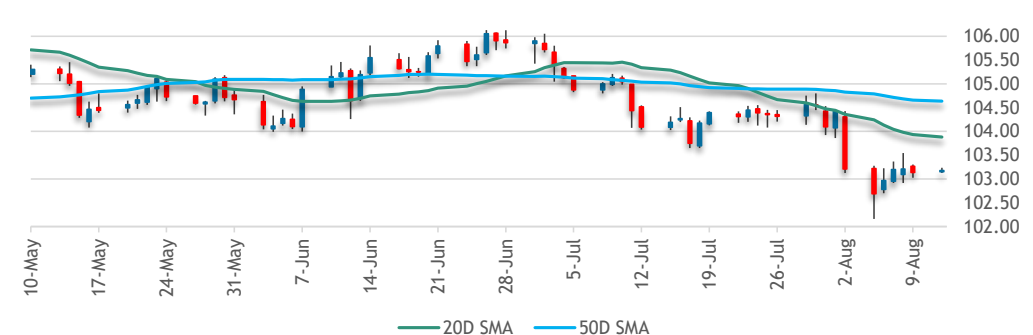
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**3.94**

1M %chg

**-8.33%**

3M %chg

**-11.40%**

### PRECIOUS-Gold subdued as investors focus on US inflation data

12 Aug 2024 08:15:11 AM

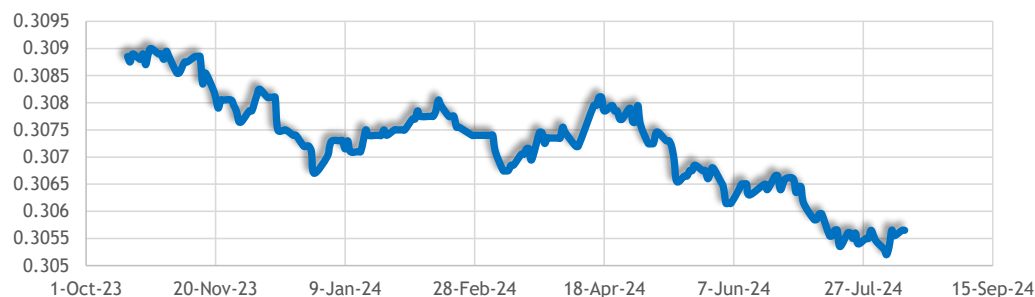
Aug 12 (Reuters) - Gold prices struggled for momentum as investors looked forward to a key inflation report that could shed more light on the U.S. central bank's next policy move. Spot gold eased 0.13% to \$2,427.86 per ounce, trading in a narrow \$10 price range. U.S. gold futures slipped 0.3% to \$2,466.40. Currently, the market sees a 54% chance of a 50 basis point rate cut at the Federal Reserve's September meeting, according to the CME FedWatch Tool. The U.S. consumer price index data, due on Wednesday, is expected to show that headline and core prices rose 0.2% month-on-month. Non-yielding bullion's appeal tends to shine in a low interest rate environment. Fed Governor Michelle Bowman softened her usually hawkish tone ever so slightly on Saturday, noting some further "welcome" progress on inflation even as she said inflation remains "uncomfortably above" the central bank's 2% goal. Spot silver fell 0.3% to \$27.36 per ounce, platinum shed 0.47% to \$917.83 and palladium fell 0.2% to \$903.48.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Corp Goods Price MM	JP	12-Aug 05:20	Jul	0.2	0.3
Corp Goods Price YY	JP	12-Aug 05:20	Jul	2.9	3.0
Federal Budget,\$	US	12-Aug 23:30	Jul	-66.00	-242.00
Reuters Tankan N-Man Idx	JP	13-Aug 04:30	Aug	26	
Reuters Tankan Man'f Idx	JP	13-Aug 04:30	Aug	11	
Avg Wk Earnings 3M YY*	GB	13-Aug 11:30	Jun	5.7	4.6
Avg Earnings (Ex-Bonus)*	GB	13-Aug 11:30	Jun	5.7	5.4
Claimant Count Unem Chng*	GB	13-Aug 11:30	Jul	32.3	
Employment Change*	GB	13-Aug 11:30	Jun	19	
ILO Unemployment Rate*	GB	13-Aug 11:30	Jun	4.4	4.5
HMRC Payrolls Change *	GB	13-Aug 11:30	Jul	16	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0918	1.0931	1.0908	1.0916	-0.02%
GBP	1.2746	1.2773	1.2723	1.2759	0.09%
JPY	147.27	147.81	146.26	146.61	-0.45%
TRY	0.0298	0.0299	0.0297	0.0299	0.34%
Dollar Idx	103.265	103.302	103.028	103.135	-0.07%
Brent	79.03	79.83	78.77	79.66	0.63%
WTC	78.02	78.53	77.37	78.28	0.82%
Gold	2426.7949	2436.95	2416.75	2430.9258	0.17%
KWSE Index	7084.02	7125.81	7084.02	7111.06	0.64%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.38	3M	4.25
SW	3.75	6M	4.44
1M	4.00	1Y	4.63

## CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

**0.30565**

**-0.62%**

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	5.37
SW	0.08	6M	5.23
1M	5.45	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	01-Aug-'24	5.00	5.00	0.00
BOJ Prime Rate	09-Aug-'24	1.65	1.80	-0.15
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50

## KEY INTERNATIONAL STORIES

### US wholesale inventories rise in June

Aug 8 (Reuters) - U.S. wholesale inventories increased in June, adding to economic growth in the second quarter. The Commerce Department's Census Bureau said on Thursday that wholesale inventories rose 0.2% in June as previously estimated. Stocks at wholesalers advanced by 0.5% in May. Economists polled by Reuters had expected that inventories, a key part of gross domestic product, would rise by an unrevised 0.2%. Inventories edged up 0.1% on a year-on-year basis in June. Wholesale motor vehicle inventories rose 0.8% in June. Excluding autos, wholesale inventories advanced 0.1%. This component goes into the calculation of GDP.

### UK employers plan smallest pay rises in two years, survey shows

LONDON, Aug 12 (Reuters) - British employers expect to raise pay by 3% over the coming year, the lowest planned increase in two years and down from 4% three months ago, a survey from the Chartered Institute of Personnel and Development showed on Monday. The news is likely to reassure the Bank of England which wants to see pay growth fall back to more normal levels. It cut interest rates on Aug. 1 for the first time in four years, having raised them to a 16-year high. A separate BoE survey published at the start of the month showed businesses intended to raise pay by 4.1%, also the lowest in at least two years.

### Canada sheds 2,800 jobs in July, jobless rate stays at 6.4%

OTTAWA, Aug 9 (Reuters) - Canada's economy shed a net 2,800 jobs in July, as gains in full-time work were offset by part-time job losses, while the unemployment rate remained at a 30-month high of 6.4%, data showed on Friday. Analysts polled by Reuters had forecast a net gain of 22,500 jobs and the unemployment rate to rise to 6.5% from 6.4% in June. An increase in the unemployment rate was expected due to rapid population growth which the labor market was not able to absorb. The unemployment rate, at its highest since 6.5% in January 2022, has been on an upward trend and has risen 0.7% percentage points since January.

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### Australia's central bank underlines uncertainty about economy, policy forecasting

SYDNEY, Aug 12 (Reuters) - Australia's central bank said on Monday economic forecasts were subject to huge uncertainty, one reason that policymakers have stayed the course on interest rates while waiting for more data. Reserve Bank of Australia (RBA) Deputy Governor Andrew Hauser, in a speech in Brisbane, said inflation had been sticky in part due to there being less spare capacity in the economy than previously thought, though again estimates were subject to error. That was why the RBA's latest forecasts showed core inflation, which ran at 3.9% in the June quarter, was only expected to ease back to the target band of 2-3% by the end of 2025, more than a year away.

### Brazil inflation speeds up in July as central bank vows 'caution'

SAO PAULO, Aug 9 (Reuters) - Consumer prices came in slightly above expectations in July, pushed up by higher gasoline and air ticket costs, adding to monetary policy uncertainties after the central bank said it would raise interest rates if needed to control inflation. Prices in Latin America's largest economy were up 0.38% last month, statistics agency IBGE said on Friday, accelerating from the 0.21% increase reported in June and exceeding economists' forecasts of a 0.35% monthly rise in a Reuters poll. They rose 4.50% in the 12 months through July, IBGE said, up from 4.23% in June and slightly above the 4.47% projected in the Reuters poll.

### Oil holds on to last week's gains buoyed by Mideast tensions, economic data

BEIJING, Aug 12 (Reuters) - Oil prices were little changed in early Asian trading on Monday, holding on to most of last week's more than 3% gains, supported by geopolitical tensions and better economic data. Brent LCOc1 crude futures fell 7 cents, or 0.09%, to \$79.59 a barrel, while U.S. West Texas Intermediate crude futures CLc1 rose 2 cents, or 0.03%, to \$76.86. Brent ended last week up more than 3.5% on the week, while WTI gained more than 4%, on supportive economic data and increased hopes of a U.S. interest rate cut. Three U.S. central bankers said last week that inflation appeared to be cooling enough for the Federal Reserve to cut interest rates as soon as next month.



Market data & Reuters News  
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