



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

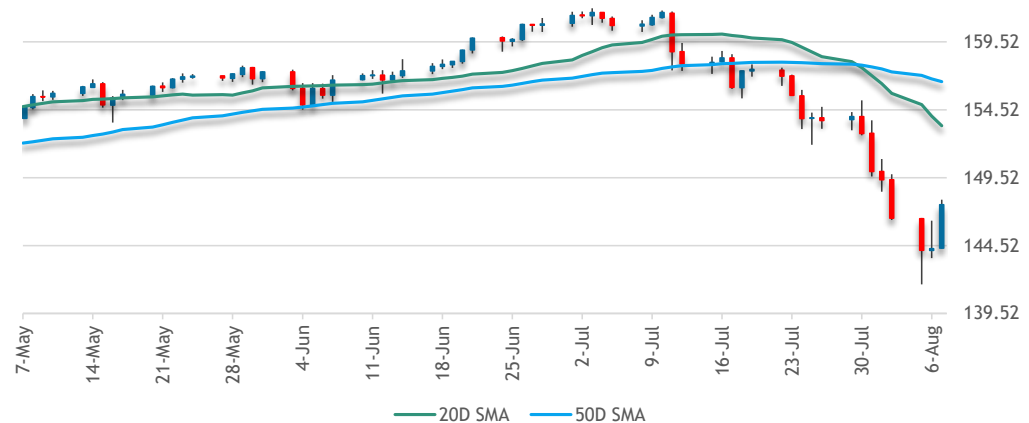
## KFH Treasury



*Report produced on*  
**Wed, 07-Aug-2024**

# Forex Market

## JAPANESE YEN



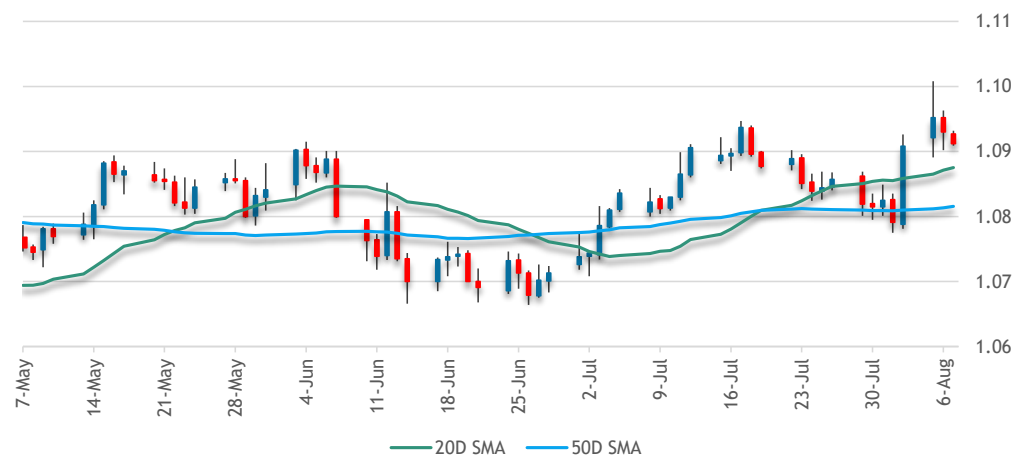
CLOSE **144.30**  
 1M %chg **-10.22%**  
 3M %chg **-6.23%**

### USD/JPY rallies on BOJ Uchida vow to keep policy easy

07 Aug 2024 06:00:23 AM

- \* USD/JPY in rally mode on BOJ DepGov Uchida-speak, 1445.35 to 147.50 EBS
- \* Uchida - Rate path will obviously change on affects of market volatility
- \* Won't hike rates when markets unstable, will maintain current easy stance
- \* Short-rates at 0.25% still very low, will support growth
- \* Risk of inflation overshoot has diminished, will affect BOJ policy
- \* Uchida seems to have countered the recently more hawkish tone of Gov Ueda
- \* From relative quiet earlier, USD/JPY through 145.72 top of hourly Ichi cloud
- \* Descending 100-DMA above cloud at 146.60 also pierced

## EURO



CLOSE **1.0930**  
 1M %chg **0.87%**  
 3M %chg **1.50%**

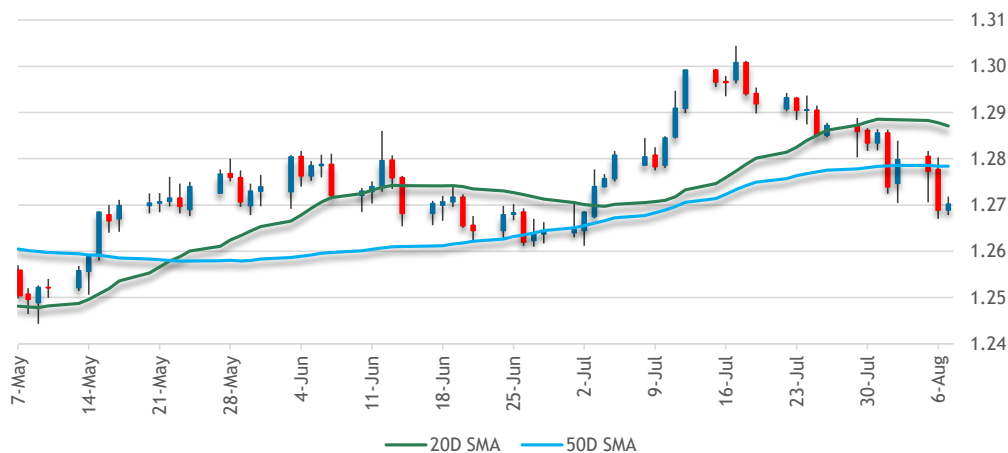
### EUR/USD sideways into Asia, in hourly Ichi cloud

07 Aug 2024 05:21:10 AM

- \* EUR/USD like other major pairs looks to have settled, Asia 1.0924-31 EBS
- \* Market quiet and sideways action into Asia, possibly into Europe/London
- \* Spot ensconced in and towards middle of 1.0896-1.0952 hourly Ichi cloud
- \* 55-HMA 1.0937 in cloud and 100-HMA below cloud at 1.0886
- \* Option expiries today more supportive, mostly to downside
- \* 1.0850-65 total E1.1 bln, 1.0880-1.0900 E2 bln, 1.0920-25 E902 mln

# Forex Market

## POUND STERLING



CLOSE  
**1.2689**

1M %chg  
**-0.93%**

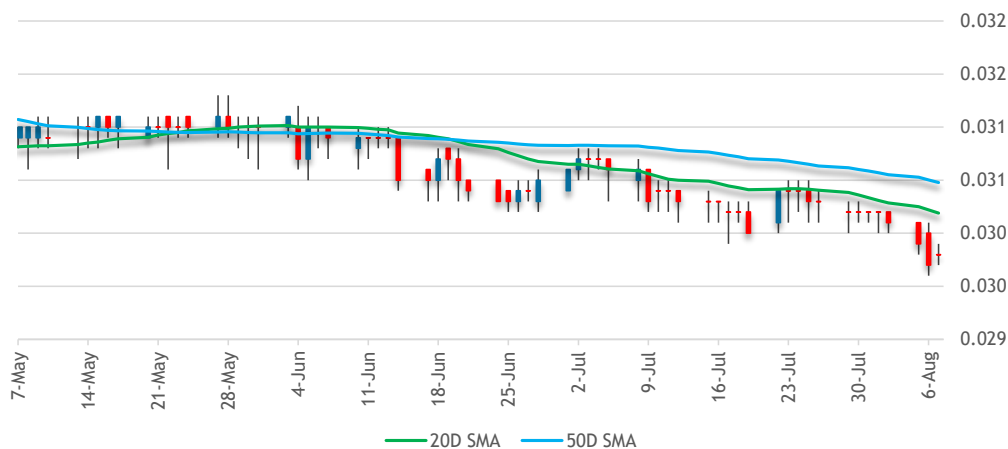
3M %chg  
**1.02%**

### GBP/USD-Inches higher as risk rallies but upside limited

07 Aug 2024 07:23:10 AM

- \* GBP/USD +0.1% in Asia in a mild recovery as markets stabilize, stocks rally
- \* Nikkei +2.3%, Nasdaq futures +0.95% on BOJ senior official's rate comments
- \* BOJ won't hike rates when markets unstable -deputy governor Uchida
- \* GBP/JPY up 1.86% as beaten down carry trades recover some ground
- \* Overhang of long GBP positions likely to limit cable's recovery
- \* Support 1.2684, 100-DMA and 1.2613-20, cluster of lows in late June-July
- \* Resistance 1.2740-50, 1.2780; Asia range 1.2707-1.2682

## TURKISH LIRA



CLOSE  
**0.0297**

1M %chg  
**-2.94%**

3M %chg  
**-4.19%**

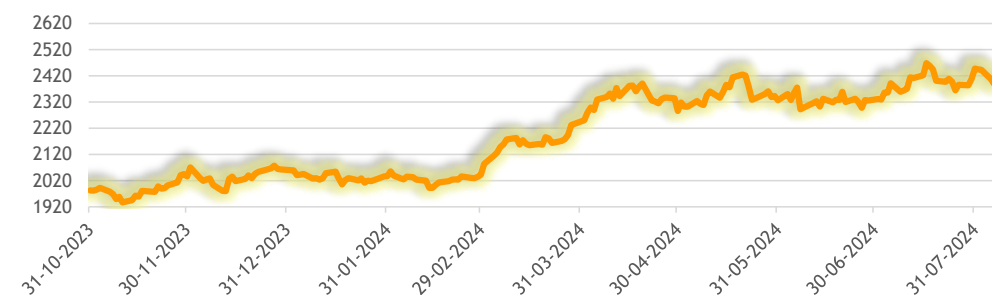
### Turkey - Factors To Watch

07 Aug 2024 08:14:41 AM

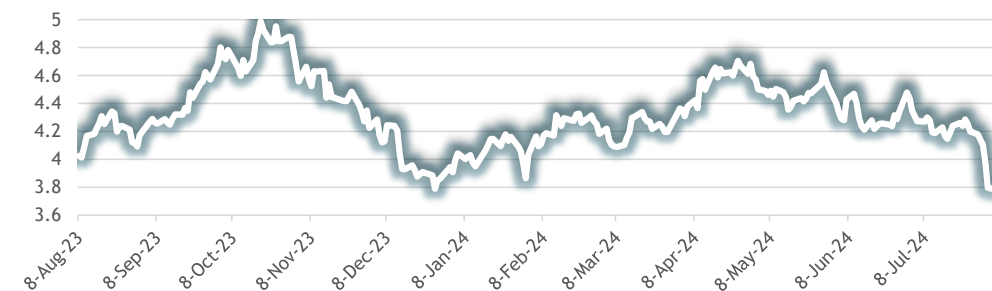
ISTANBUL, Aug 7 (Reuters) - The lira TRY/TOM=D3 traded at 33.5800 against the U.S. dollar, firming slightly from a close of 33.5995 on Tuesday. The main BIST 100 share index .XU100 closed 0.12% lower at 9,881.23 points on Tuesday.

# Gold, US Treasury & Dollar Index

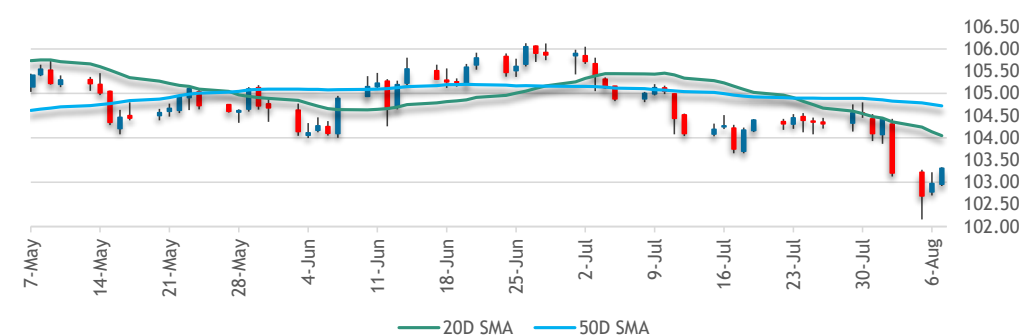
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**3.91**

1M %chg

**-9.01%**

3M %chg

**-13.39%**

### PRECIOUS-Gold inches lower as traders assess Fed rate cuts

07 Aug 2024 03:37:07 AM

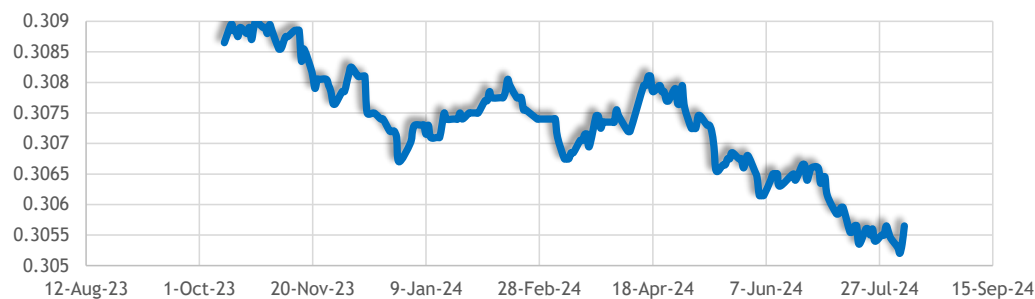
Aug 7 (Reuters) - Gold prices edged lower as the U.S. dollar and Treasury yields strengthened, while traders awaited further cues to gauge the size of the Fed Reserve's likely September interest rate cut. Spot gold slipped 0.2% to \$2,385.60 per ounce. U.S. gold futures fell 0.3% to \$2,425.30. Downside in gold may be limited by ongoing Middle East tensions and lingering global recession concerns, as markets await further economic data for clarity on U.S. conditions, Yeap added. Dollar index rose to 103.25, making the greenback-priced bullion less affordable for overseas buyers. Traders have altered their rate cut expectations following soft jobs report last week, with nearly 105 basis points of cuts anticipated by year-end. However, markets are also pricing in a 65% chance of Fed cutting rates by 50 bps in September, CME FedWatch tool showed, compared with 85% a day ago. Spot silver edged 0.1% higher to \$27.0561 per ounce, platinum rose 0.3% to \$915.20 and palladium was up 0.3% to \$877.24.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
RICS Housing Survey*	GB	07-Aug 04:31	Jul	-17	-10
RICS Housing Survey*	GB	07-Aug 04:31	Jul	-17	-10
Bank Lending YY	JP	07-Aug 05:20	Jul	3.2	
Bank Lending YY	JP	07-Aug 05:20	Jul	3.2	
Foreign Bond Investment	JP	07-Aug 05:20	w/e	-700.5	
Current Account Bal SA*	JP	07-Aug 05:20	Jun	24062	
Current Account NSA JPY	JP	07-Aug 05:20	Jun	2849.9	1789.7
Foreign Invest JP Bonds*	JP	07-Aug 05:20	w/e	1199.4	
Foreign Stock Investment*	JP	07-Aug 05:20	w/e	230.4	
Foreign Invest JP Stock	JP	07-Aug 05:20	w/e	-670.5	
Trade Bal Cust Basis SA*	JP	07-Aug 05:20	Jun	-4747	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0952	1.0963	1.0902	1.093	-0.20%
GBP	1.2777	1.2803	1.267	1.2689	-0.66%
JPY	144.16	146.36	143.6	144.3	0.09%
TRY	0.03	0.0301	0.0296	0.0297	-0.67%
Dollar Idx	102.78	103.225	102.7	102.969	0.27%
Brent	77.45	77.85	75.58	76.48	0.24%
WTC	73.98	75.41	73.67	74.6	0.19%
Gold	2409.79	2418.12	2381.59	2389.37	-0.76%
KWSE Index	6951.49	7018.89	6951.47	6995.87	0.99%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.31	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

**0.30535**

**-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	5.39
SW	0.08	6M	5.21
1M	5.44	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	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

### US household debt levels edge up in Q2, NY Fed survey shows

Aug 6 (Reuters) - Total U.S. household debt levels edged up in the second quarter but overall delinquency rates stabilized, indicating that borrowers are still in decent enough shape to support the economy, a report from the Federal Reserve Bank of New York said on Tuesday. The bank report, part of its survey of household debt and credit conditions, showed that overall debt levels rose by \$109 billion, or 0.6%, in the second quarter to \$17.80 trillion. Overall borrowing levels are now \$3.7 trillion above where they were at the end of 2019, before the onset of the coronavirus pandemic, the report said.

### UK construction sector kicks up a gear after election, PMI shows

LONDON, Aug 6 (Reuters) - Growth in Britain's construction industry sped up sharply in July after the Labour Party's landslide election win, with activity growing at the fastest pace in more than two years, according to a survey published on Tuesday. The S&P Global UK Construction Purchasing Managers' Index leapt to 55.3 - the highest since May 2022 - from 52.2 in June and far above the median forecast of 52.8 in a Reuters poll of economists. Last week, the Bank of England cut interest rates from a 16-year high of 5.25% and investors expect two further quarter-point reductions in borrowing costs before the end of the year.

### Canada's services PMI shows sector contracting further in July

TORONTO, Aug 6 (Reuters) - Canada's services economy deteriorated in July as activity and new business declined, while elevated wage costs contributed to increased inflation pressures, S&P Global Canada services PMI data showed on Tuesday. The headline business activity index edged up to 47.3 from 47.1 in June but was holding well below the 50 no-change threshold, signaling reduced activity. The new business index rose to 49.2 from 47.9 in June and the measure of future activity was at 60.4, up from 59.0 in the prior month, notching its first increase since February. The input prices measure climbed to 58.1 from 56.2 in June.

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### China's July exports climb 7%, miss forecasts, imports up 7.2%

BEIJING, Aug 7 (Reuters) - China's exports climbed 7.0% in July from year earlier, a slower pace of growth than in June and missing expectations, but imports rose 7.2%, customs data showed on Wednesday. That compares with forecasts for 9.7% growth in exports and a 3.5% increase in imports from a Reuters poll of economists. It also compares with June figures that showed an 8.6% expansion in exports and a 2.3% contraction in imports. The world's second-largest economy has struggled to gain momentum despite government efforts to stimulate domestic demand following the pandemic. A protracted property slump and fears about job security have dragged heavily on consumer confidence.

### Mexico inflation seen ticking up in July to highest in over a year

MEXICO CITY, Aug 6 (Reuters) - Mexico's headline inflation rate likely accelerated again in July to reach its highest level in more than a year, while the core index is forecast to continue to moderate, a Reuters poll showed on Tuesday. The median estimate of 16 analysts forecast an annual headline inflation rate in July of 5.57%, its highest level in more than a year and its fifth consecutive month of ticking up. The poll showed that annual core inflation, which eliminates volatile energy and food prices, likely fell in July for the eighteenth consecutive month to settle at 4.02%, its lowest level since February 2021. The monthly rise in consumer prices for July was seen at 1.02%, compared to the previous month.

### Oil edges lower on surprise build in US crude and gasoline stocks

Aug 7 (Reuters) - Oil prices slipped in early Asian trading on Wednesday following a brief rebound in the previous session after industry data showed an unexpected build in U.S. crude oil and gasoline inventories, offsetting global oil supply concerns. Brent crude futures fell 21 cents, or 0.27%, to \$76.27 a barrel. U.S. West Texas Intermediate crude slipped 25 cents, or 0.34%, to \$72.95 per barrel. Benchmarks slipped accordingly. Both WTI and Brent had bounced off multi-month lows to settle higher in the previous session. The API figures showed crude stocks were up by 176,000 barrels in the week ended Aug. 2, the sources said, speaking on condition of anonymity.



Market data & Reuters News  
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