



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

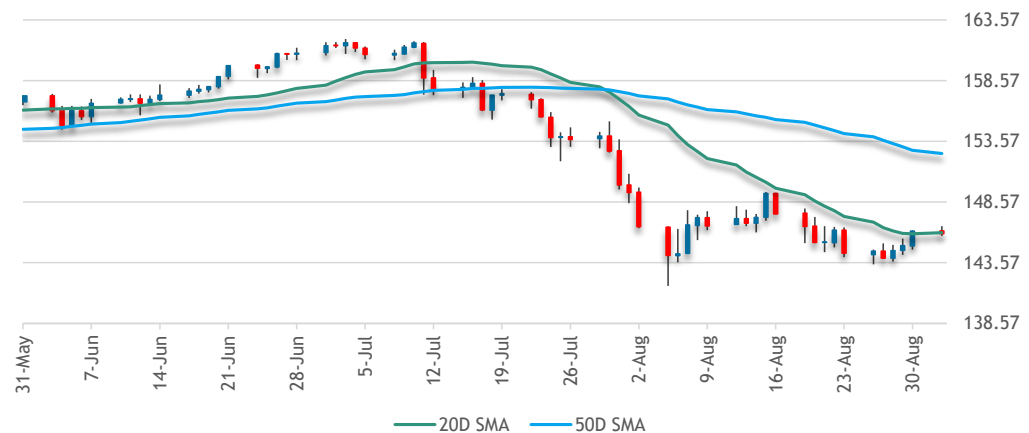
KFH Treasury



Report produced on
Mon, 02-Sep-2024

Forex Market

JAPANESE YEN



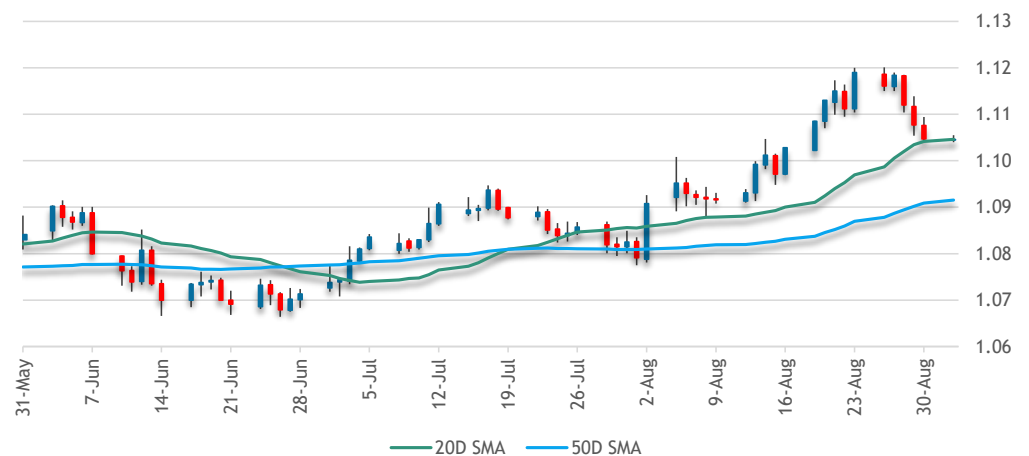
CLOSE 1M %chg 3M %chg
146.16 **-4.32%** **-6.79%**

USD/JPY off after early pop up, JPY crosses mirror USD/JPY

02 Sep 2024 07:47:57 AM

- * USD/JPY and JPY crosses see early pops higher, off later, USD/JPY in lead
- * USD/JPY to 146.60 EBS early Asia on higher US rates Friday on good US data
- * Data showed US economy resilient, Fed now more likely to cut only 25 bps
- * Good offers from Japanese exporters, others from early Asia high, to 145.83
- * Expected Japanese, other bids ahead of 146.00 lighter than eyed
- * Stops sub-146.00 from weak longs hit, all in thin, holiday-affected trade
- * JPY crosses mostly mirrored USD/JPY moves in very thin trading
- * GBP/JPY 192.49 fresh high to 191.39, 192.48 GBP480 mln option expiries today

EURO



CLOSE 1M %chg 3M %chg
1.1047 **2.15%** **1.98%**

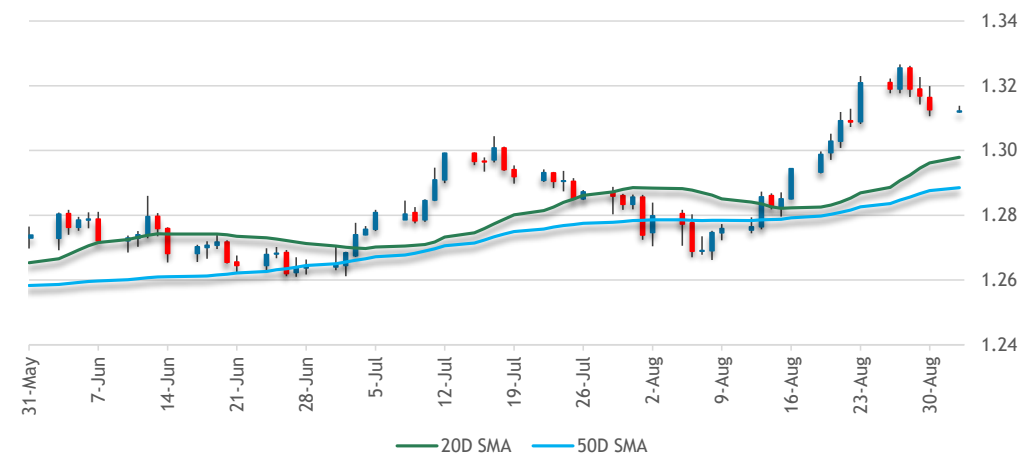
EUR/USD-Dovish ECB expectations weigh, as the USD recovers

02 Sep 2024 04:29:07 AM

- * Steady after closing down 0.27% with the U.S. dollar 0.35% higher
- * Inflation at the lowest level for 3 years sets the scene for a September cut
- * ECBWATCH prices 38.4pt October and 59.8pts in cuts for December - dovish
- * Charts; daily momentum studies fall, 21-day Bollinger bands contract
- * 5, 10 & 21-day & week moving averages conflict - signals are now neutral
- * A close below 1.0996 0.382% June/August rise would be a bearish signal
- * A close above the 1.1122 10-day moving average would be a positive signal
- * 1.1100 574mln are the only significant Sep 2nd close strikes

Forex Market

POUND STERLING



CLOSE
1.3126

1M %chg
2.28%

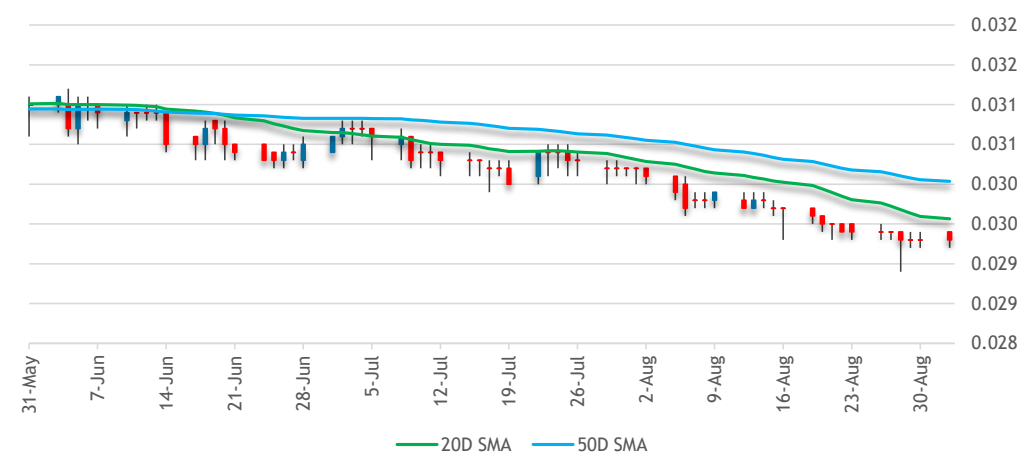
3M %chg
3.11%

COMMENT-Sterling slips after US PCE, consumption data tempers dovish tones

30 Aug 2024 06:06:57 PM

GBP/USD dipped slightly after year-on-year U.S. core and headline PCE failed to make the case for bolder Fed rate cuts even though it came in slightly below forecast, which could keep sterling capped ahead of its recent 2024 high at 1.3269 awaiting further data. The report also featured rising personal consumption and income, which also cast doubt over the need for an aggressive start to rate cuts. GBP/USD's recent rise to 2024 highs near 1.33 came after the market interpreted Fed Chair Jerome Powell's recent comments at the Jackson Hole Symposium as dovish. Should employment and wages remain stubbornly high, the markets' more-dovish Fed policy view is likely to unravel further, adding downward pressure to GBP/USD.

TURKISH LIRA



CLOSE
0.0293

1M %chg
-2.98%

3M %chg
-5.48%

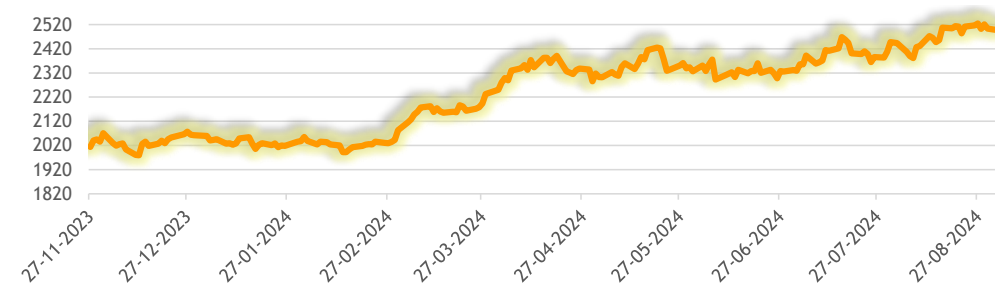
Turkey cenbank net FX reserves fall to \$43.69 bln on Aug 23

29 Aug 2024 03:49:54 PM

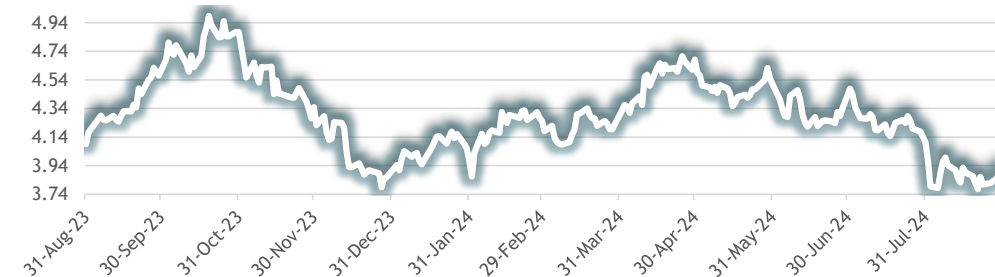
ANKARA, Aug 29 (Reuters) - The Turkish central bank's net international reserves fell to \$43.69 billion in the week to Aug 23, from \$47.78 billion a week earlier, official data showed on Thursday. Reserves have climbed in recent months to their highest levels this year from a low in June 2023 - just after national elections - when they were down to minus \$5.7 billion, their lowest since data publication began in 2002. The exchange rate used by Reuters on Thursday was 33.8506 lira to the dollar.

Gold, US Treasury & Dollar Index

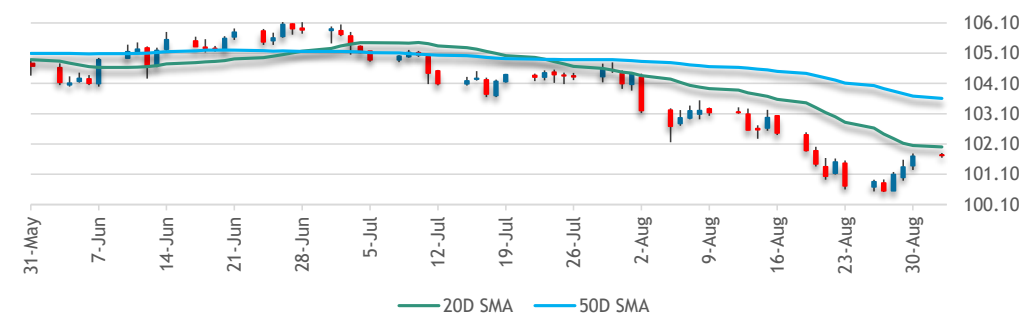
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

3.91

1M %chg

-5.55%

3M %chg

-14.12%

PRECIOUS-Gold slips on firm dollar; market focus turns to US jobs data

02 Sep 2024 07:47:05 AM

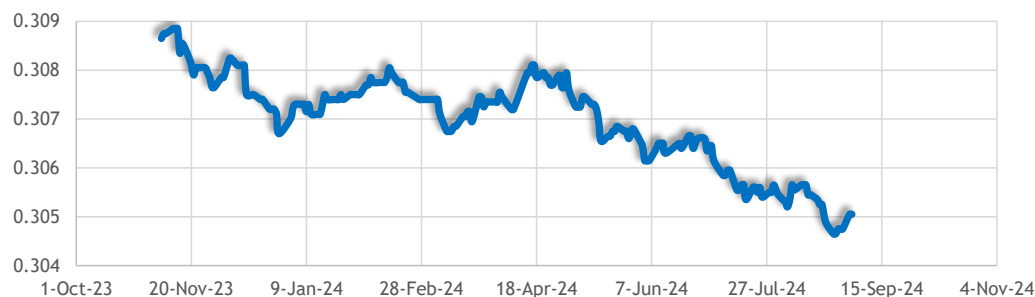
Sept 2 (Reuters) - Gold prices dipped on Monday as the dollar strengthened, while investors awaited key U.S. jobs data to firm their bets on the size of Federal Reserve's interest rate cut expected this month. Spot gold XAU= was down 0.3% at \$2,494.76 per ounce. U.S. gold futures held steady at \$2,527.20. The dollar hit a near two-week peak, making greenback-priced bullion less appealing to other currency holders. The Fed is expected to kick off a rate-cutting cycle at its policy meeting on Sept. 17-18. Traders currently see a 69% chance of a 25-basis-point cut and a 31% chance of a 50 bps cut, according to the CME FedWatch tool. Spot gold fell 1% in the previous session after data showed that U.S. consumer spending increased solidly in July, arguing against a half-percentage-point rate cut. Non-yielding bullion tends to thrive in a low interest rate environment. Spot silver fell 1.5% to \$28.41 per ounce, platinum XPT= gained 0.3% to \$928.50 and palladium was up 0.1% at \$966.43.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
BRC Retail Sales YY	GB	02-Sep 04:31	Aug	0.3	
Monetary Base YY*	JP	02-Sep 05:20	Aug	1.17	
JibunBK Mfg PMI Final SA	JP	02-Sep 06:00	Aug	49.5	
HCOB Mfg Final PMI	EU	02-Sep 13:30	Aug	45.6	45.6
S&P GLOBAL MANUFACTURING PMI	GB	02-Sep 14:00	Aug	52.5	52.5
Overtime Pay*	JP	04-Sep 05:00	Jul	1.3	
Foreign Bond Investment	JP	04-Sep 05:20	w/e	1542.9	
Foreign Invest JP Bonds*	JP	04-Sep 05:20	w/e	859.4	
Foreign Stock Investment*	JP	04-Sep 05:20	w/e	898.8	
Foreign Invest JP Stock	JP	04-Sep 05:20	w/e	-438.3	
JibunBK Comp Op Final SA	JP	04-Sep 06:00	Aug	53.0	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1076	1.1094	1.1043	1.1047	-0.27%
GBP	1.3164	1.3199	1.3106	1.3126	-0.32%
JPY	144.95	146.24	144.65	146.16	0.81%
TRY	0.0293	0.0294	0.0292	0.0293	0.00%
Dollar Idx	101.379	101.783	101.245	101.698	0.35%
Brent	79.92	80.6	78.57	78.8	-1.43%
WTC	76.87	77	74.43	74.52	-3.09%
Gold	2520.59	2526.82	2494.15	2503.0322	-0.72%
KWSE Index	7183.27	7196.63	7166.43	7172.41	-0.12%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.25	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

0.30505

-0.67%

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	5.28
SW	0.08	6M	5.14
1M	5.31	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

Solid US consumer spending pushes against hopes for hefty Fed rate cut

WASHINGTON, Aug 30 (Reuters) - U.S. consumer spending increased solidly in July, suggesting the economy remained on firmer ground early in the third quarter and arguing against a half-percentage-point interest rate cut from the Federal Reserve next month. Consumer spending, which accounts for more than two-thirds of U.S. economic activity, rose 0.5% last month after advancing by an unrevised 0.3% in June, the Commerce Department's Bureau of Economic Analysis reported. The increase was in line with economists' expectations. The economy grew at a 1.4% pace in the January-March quarter.

UK lenders approve most mortgages in July since 'mini-budget' crisis

LONDON, Aug 30 (Reuters) - British lenders approved the highest number of mortgages in July since the start of the "mini-budget" crisis in 2022 under former Prime Minister Liz Truss, according to Bank of England data that added to signs of momentum in the housing market. Lenders approved 61,985 mortgages, the most since September 2022 when the announcement of unfunded tax cuts caused a jump in borrowing costs. The figure was higher than the median forecast of 60,500 in a poll of economists. The BoE data also showed a net increase of 2.786 billion pounds (\$3.67 billion) in mortgage lending in July, biggest rise since November 2022.

Canada swings to a April-June deficit of C\$2.88 bln from surplus a year ago

OTTAWA, Aug 30 (Reuters) - Canada's budgetary balance swung to a deficit of C\$2.88 billion (\$2.14 billion) in the first three months of the fiscal year as program expenses lifted government spending higher than revenues, the finance ministry said on Friday. By comparison, the government had posted a surplus of C\$3.62 billion in the same period a year ago, it said in a statement. Program expenses in the first three months rose 14.6% on higher transfer payments. Public debt charges jumped by 29.7% largely because of higher interest rates on marketable bonds and treasury bills, the ministry said.

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Australia job ads fall 2.1% in August m/m, ANZ-Indeed data shows

SYDNEY, Sept 2 (Reuters) - Australian job advertisements fell for a seventh straight month in August, data showed, as demand for labour continued to ease in the face of high interest rates and a slowing economy. Job ads for August were down 22.9% from a year earlier. They have fallen 29.8% from their peak in November 2022 but remain 11.4% higher than pre-pandemic levels. ANZ economist Madeline Dunk said part of decline in series was likely due to workers finding jobs. Reserve Bank of Australia has left interest rates unchanged at 4.35% since November, although policymakers have judged labour market was still running a little hot, a reason that they have ruled out a near-term rate cut.

Thai central bank chief, finance minister to meet over inflation target as govt eyes rate cut

BANGKOK, Aug 30 (Reuters) - Thailand's central bank chief and finance minister will meet in early September to open negotiations on an inflation target for 2025, a senior official said, as the government seeks a new goal with an eye on a rate cut that it has pushed for months. The government has been locked in a tussle with the Bank of Thailand (BOT) since last year, repeatedly asking the central bank to cut key interest rates to help revive a flagging economy, Southeast Asia's second-largest. Despite government calls for an easing, the central bank has kept its benchmark interest rate unchanged at a more than decade-high of 2.50%. The next rate review is due on Oct. 16.

Oil extends losses on weak China data, prospect of higher OPEC+ supply

SINGAPORE, Sept 2 (Reuters) - Oil prices extended losses on Monday on expectations for higher OPEC+ production starting in October and as signs of sluggish demand in China and the U.S., the world's two largest oil consumers, raised concerns about future consumption growth. Brent crude futures LCOc1 fell 61 cents, or 0.8%, to \$76.32 a barrel while U.S. West Texas Intermediate crude CLc1 slipped 52 cents, or 0.7%, to \$73.03 a barrel. Eight OPEC+ members are scheduled to boost output by 180,000 barrels per day (bpd) in October, as part of a plan to begin unwinding their most recent layer of output cuts of 2.2 million bpd while keeping other cuts in place until end-2025.



Market data & Reuters News
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