



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

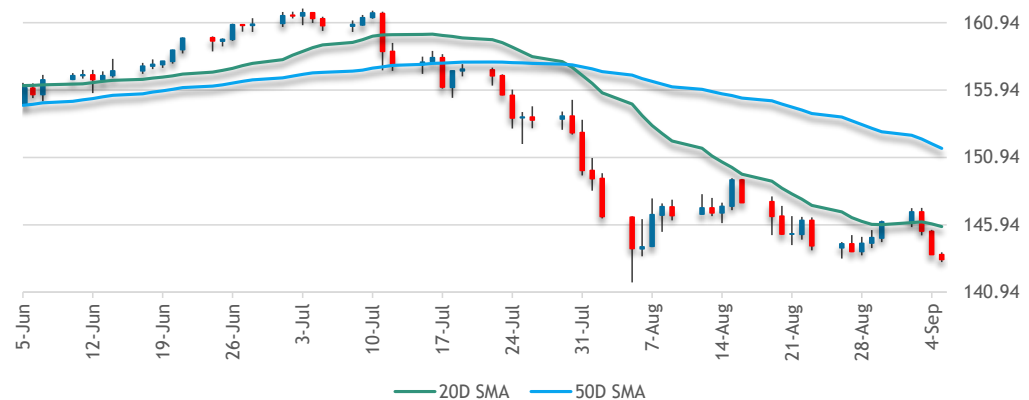
KFH Treasury



Report produced on
Thu, 05-Sep-2024

Forex Market

JAPANESE YEN



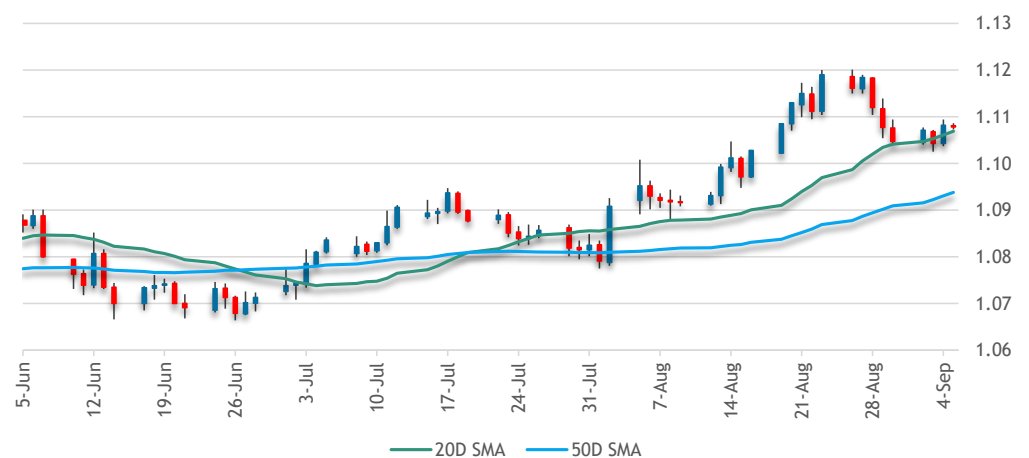
CLOSE **143.73** 1M %chg **-1.92%** 3M %chg **-7.19%**

USD/JPY legs down in Asia before bouncing, JPY crosses too

05 Sep 2024 07:02:26 AM

- * USD/JPY legged down to a fresh recent low of 143.20 EBS early Asia
- * Bounce since with pair back up to 143.90 on combination of factors
- * Japanese importer buys into today's Gotobi Tokyo fix, spec short-covering
- * Japanese exporter, other offers from ahead of 144.00
- * Upside likely limited however on softer US rates, narrowing Japan-US diffs
- * Treasury 2s @3.764%, 10s @3.763%, JGB 2s @0.370%, 10s @0.864%
- * Large to massive option expiries in area today to help contain spot action
- * 143.00 \$648 mln, 143.35-50 \$885 mln, 143.70-80 \$1 bln, 144.00 \$1.2 bln
- * Also total \$1.7 bln between 144.15-35, massive 143.00, 143.75-80 tom too

EURO



CLOSE **1.1082** 1M %chg **1.60%** 3M %chg **1.88%**

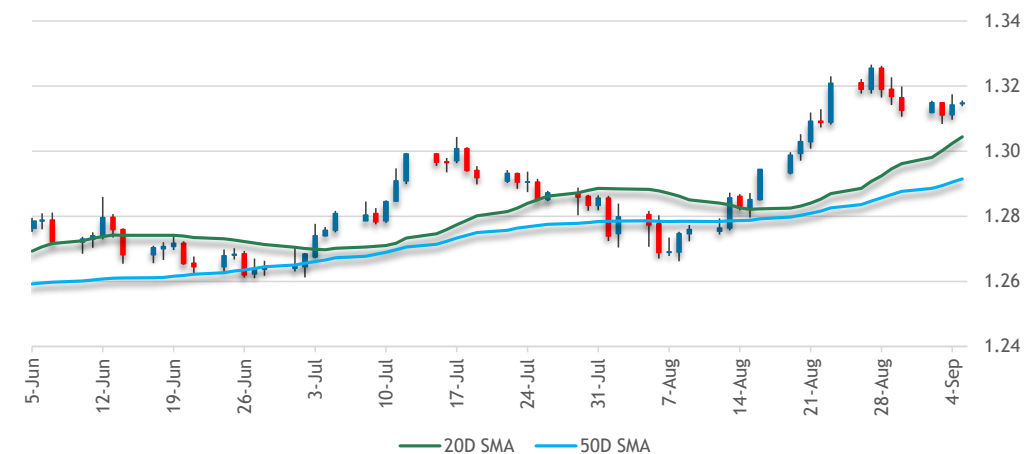
EUR/USD sideways in Asia after leg up o/n, crosses heavy

05 Sep 2024 07:32:43 AM

- * EUR/USD sideways in Asia after leg up to 1.1095 EBS overnight
- * Asia 1.1077-86, sideways and awaiting fresh flows, Asia quiet
- * Massive option expiries in area likely to limit moves either way
- * Today 1.0920-90 total E8.8 bln, 1.1000-30 E4.3 bln, 1.1050-60 E2 bln
- * 1.1075-90 total E5.4 bln, 1.1100-1.1200 total E12.6 bln
- * EUR/USD holding between 55/100-HMAs at 1.1058/61, 200-HMA at 1.1104
- * EUR/JPY to 158.76 fresh recent low early before bouncing to 159.36 EBS
- * EUR/GBP 0.8426-32, massive option expiries above today to help cap

Forex Market

POUND STERLING



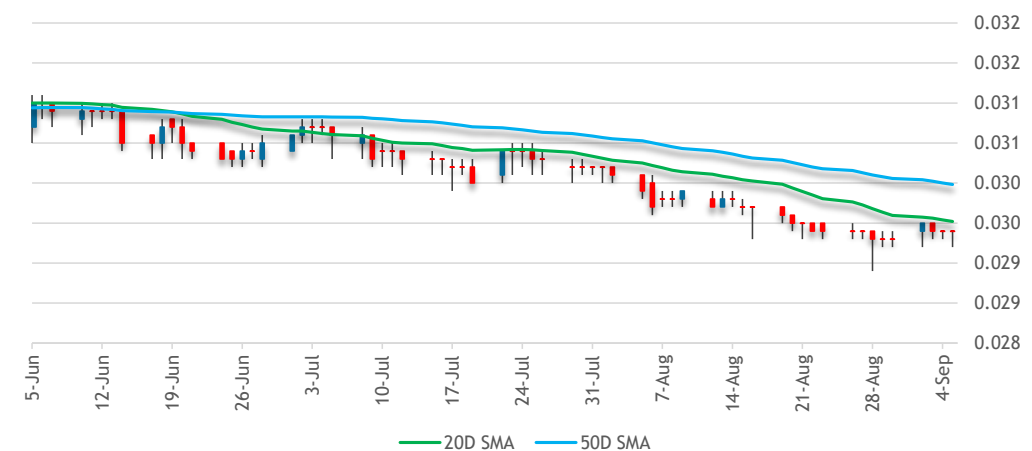
CLOSE **1.3142** 1M %chg **2.69%** 3M %chg **2.97%**

GBP/USD-Resilient into the next round of U.S. data

05 Sep 2024 07:33:19 AM

- * +0.05% in a 1.3152/62 range with occasional flurries on LSEG FX Matching
- * UK construction PMI leads data, last 54.6 - modest gbp impact at best
- * US ADP jobs, weekly unemployment and ISM services PMI likely drive markets
- * BoE caution on inflation and the dovish Fed stance supports GBP/USD
- * Charts - 10 & 21 daily and weekly moving averages head higher, 5 DMA slips
- * 21-day Bollinger bands contract as momentum studies crest - uptrend holds
- * Friday's 1.3200 top and last week's 1.3269 high are the first resistance
- * A close below 1.3038, 38.2% April/August rise would end the topside bias

TURKISH LIRA



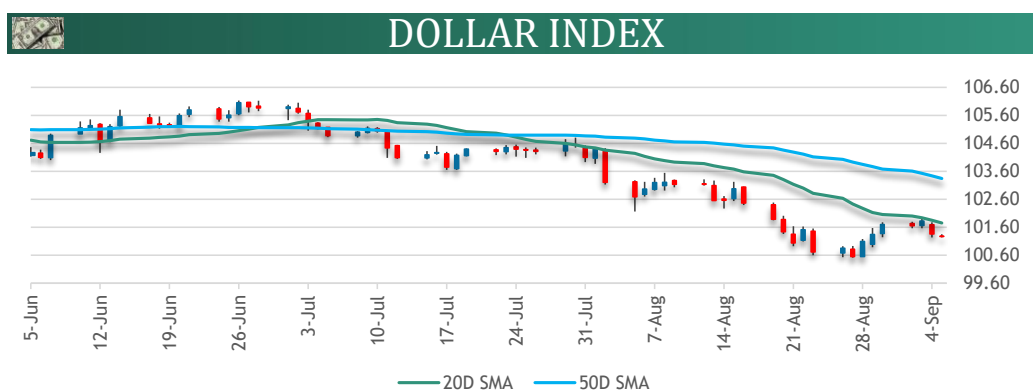
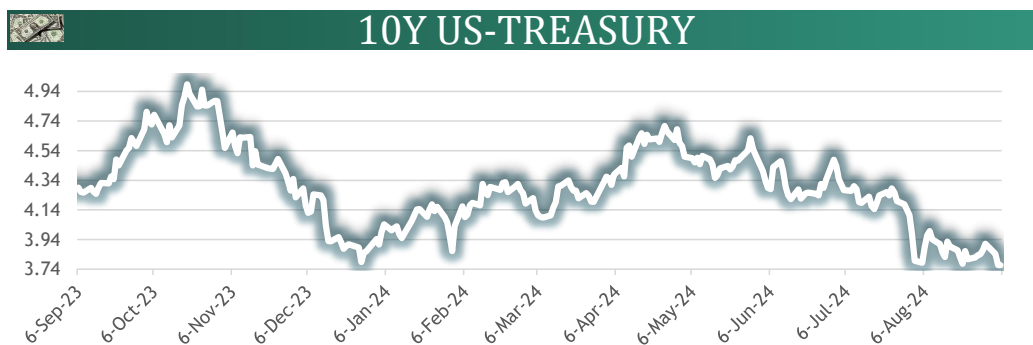
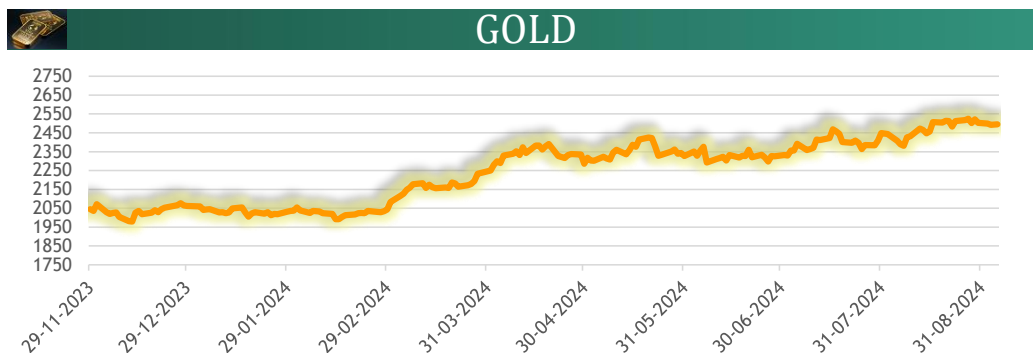
CLOSE **0.0294** 1M %chg **-2.33%** 3M %chg **-4.23%**

Turkey - Factors To Watch

05 Sep 2024 08:33:10 AM

ANKARA, Sept 5 (Reuters) - The lira TRY/TOM=D3 traded at 34.0110 against the U.S. dollar, from a close of 33.9950 on Wednesday. The main BIST 100 share index .XU100 closed 0.37% lower at 9,984.93 points on Wednesday.

Gold, US Treasury & Dollar Index



US 10YT YIELD

3.77

1M %chg

-0.74%

3M %chg

-13.10%

PRECIOUS-Gold lacks momentum as investors cautious ahead of US jobs data

05 Sep 2024 09:01:11 AM

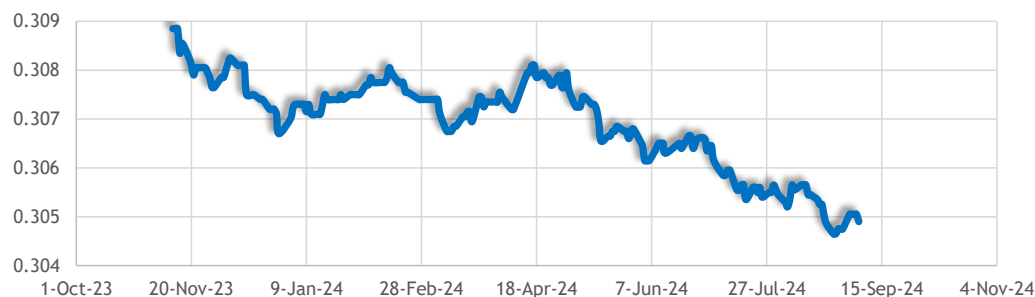
Sept 5 (Reuters) - Gold was little changed on Thursday as investors kept to the sidelines ahead of U.S. payrolls data that could provide more clues on the size of an expected rate cut this month. Spot gold XAU= steadied at \$2,494.73 per ounce. U.S. gold futures GCcv1 lost 0.1% to \$2,524.90. Non-yielding bullion tends to perform well when interest rates are low. It is also considered a hedge against economic and political uncertainties. "The highs for gold in 2024 may not yet have been reached, with the \$2,600 level a viable target before year-end, if the Fed delivers the goods with a succession of quick-fire rate cuts before year-end," said Waterer. "Central banks appear to be key drivers of gold demand over recent quarters," analysts at NAB said in a note. NAB also raised its 2024 average forecast for gold to \$2,315. Spot silver XAG= eased 0.2% to \$28.21 per ounce, platinum XPT= climbed 0.9% to \$910.50 and palladium XPD= fell 0.3% at \$930.76.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
All Household Spending MM*	JP	05-Sep 05:00	Jul	0.1	-0.2
All Household Spending YY*	JP	05-Sep 05:00	Jul	-1.4	1.2
Foreign Reserves	JP	05-Sep 05:20	Aug	1219.1	
HCOB Construction PMI	EU	05-Sep 13:00	Aug	41.4	
S&P GLOBAL PMI: MSC COMPOSITE -	GB	05-Sep 14:00	Aug	53.1	
S&P Global CONSTRUCTION PMI	GB	05-Sep 14:00	Aug	55.3	54.9
Retail Sales MM*	EU	05-Sep 14:30	Jul	-0.3	0.1
Retail Sales YY*	EU	05-Sep 14:30	Jul	-0.3	0.1
Initial Jobless Clm*	US	05-Sep 18:00	w/e	231	230
Jobless Clm 4Wk Avg*	US	05-Sep 18:00	w/e	231.50	
Cont Jobless Clm*	US	05-Sep 18:00	w/e	1.868	1.865

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1043	1.1094	1.1037	1.1082	0.35%
GBP	1.3112	1.3175	1.3097	1.3142	0.24%
JPY	145.45	145.56	143.7	143.73	-1.20%
TRY	0.0294	0.0294	0.0293	0.0294	0.00%
Dollar Idx	101.686	101.778	101.238	101.358	-0.46%
Brent	73.67	74.8	72.35	72.7	-1.42%
WTC	71.23	71.72	70.06	70.11	-1.64%
Gold	2492.49	2499.99	2471.8	2494.188	0.06%
KWSE Index	7169.5	7169.56	7138.6	7156.49	-0.45%

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

-0.36%

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	5.27
SW	0.08	6M	5.14
1M	5.29	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 job openings hit 3-1/2-year low as labor market eases

WASHINGTON, Sept 4 (Reuters) - U.S. job openings dropped to a 3-1/2-year low in July, suggesting the labor market was losing steam, but the reduction on its own is probably not enough to warrant a half-percentage-point interest rate cut by the Federal Reserve this month. The larger-than-expected decline in unfilled jobs shown in the Job Openings and Labor Turnover Survey, or JOLTS report, from the Labor Department on Wednesday meant there were 1.07 open positions for every unemployed person in July. That was the least since May 2021 and down from 1.16 in June. The vacancies-to-unemployed ratio peaked just above 2.0 in 2022.

UK services activity at four-month high in August, PMI shows

LONDON, Sept 4 (Reuters) - Britain's services activity grew last month at the fastest pace since April and price pressures eased, according to a survey that pointed to a more benign inflation outlook and a settling of economy after July's elections. S&P Global UK Services Purchasing Managers Index rose in August to 53.7 from 52.5 in July, above a preliminary estimate of 53.3. The central bank cut borrowing costs last month for first time since March 2020, to 5.0% from a 16-year high of 5.25%. Investors expect another cut before the end of the year. However, survey showed optimism for year ahead cooled slightly and growth in employment slowed.

Bank of Canada cuts rate by 25 bps, says bigger cuts possible

OTTAWA, Sept 4 (Reuters) - The Bank of Canada on Wednesday trimmed its key policy rate by 25 basis points to 4.25% as forecast and Governor Tiff Macklem, citing weak growth, said a larger cut could be in order if the economy needs a boost. The bank had held its benchmark rate at a two-decade high of 5% for a year until June when it started the easing cycle. Overall inflation fell to a 40-month low of 2.5% in July, still above the BoC's target of 2.0%. But the economy now looks to be weaker than bank had forecast just six weeks ago. Second-quarter growth was better than expected at 2.1% but it flattened out in June and is likely to be anemic in July.

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Australia economy stuck in slow lane, household spending drags

SYDNEY, Sept 4 (Reuters) - Australia's economy stayed stuck in the slow lane in the June quarter as stiff borrowing costs and stubborn inflation squeezed consumers, leaving government spending as the main driver of growth. Real gross domestic product rose 0.2% in the second quarter, unchanged for three straight quarters, and was just under market forecasts of 0.3%. Annual growth slowed to 1.0% from 1.3% the previous quarter, lows last seen during the 1990s recession, barring distortions from the pandemic. For the quarter, household spending, which accounts for half of GDP, actually fell 0.2% to drag on growth, as people cut back on trips abroad. The savings rate stayed subdued at 0.6%.

Philippine annual inflation slows to 3.3% in August

MANILA, Sept 5 (Reuters) - Philippine annual inflation slowed to a seven-month low in August as price increases on food and transport costs moderated, the statistics agency said on Thursday, giving the central bank room to further ease rates. The consumer price index (CPI) rose 3.3% in August from a year earlier, below the previous month's 4.4% rise, bringing average inflation to 3.6% in the first eight months of the year, well within the central bank's 2% to 4% comfort range. Last month's inflation was the slowest since the 2.8% print in January. The core inflation rate, which strips out volatile food and energy prices, also slowed, to 2.6% last month.

Oil prices edge up as OPEC+ may delay supply hike, US stockpiles fall

Sept 5 (Reuters) - Oil prices edged up after plunging to multi-month lows previously major producers may delay an output increase planned for next month and U.S. inventories fell, though gains were limited by persistent demand concerns. Brent crude futures for November rose 15 cents, or 0.1%, to \$72.85 after dropping 1.4% in previous session to lowest close since June 27, 2023. U.S. West Texas Intermediate crude futures for October were up 15 cents, or 0.22%, to \$69.35 after dropping 1.6% on Wednesday to lowest settlement since Dec. 11. Last week, OPEC+ was set to proceed with its 180,000 bpd output hike in October, part of a plan to gradually unwind its most recent cuts of 2.2 million bpd.