



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

## KFH Treasury



*Report produced on*  
**Tue, 10/Sep/2024**

# Forex Market

## JAPANESE YEN



CLOSE  
**143.17**

1M %chg  
**-2.35%**

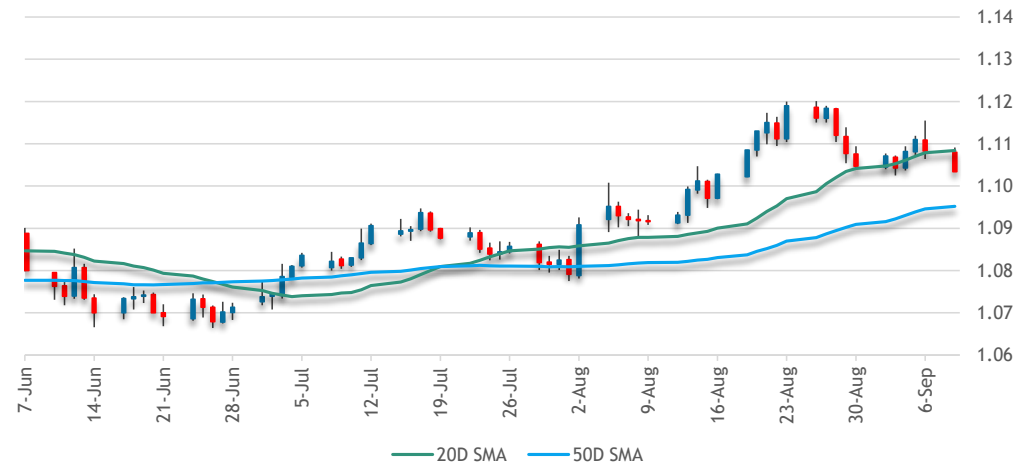
3M %chg  
**-8.63%**

### USD/JPY bid into Tokyo fix, off later, crosses mirror move

10 Sep 2024 07:43:30 AM

- \* USD/JPY up then off, JPY crosses again mirror USD/JPY movements
- \* USD/JPY 142.86 early to 143.54 EBS before easing back
- \* Again, Japanese importer buys into Gotobi Tokyo fix, spec bids too
- \* Japanese exporters cap upside, will continue to sell into rallies
- \* Resistance after hitting descending 100-HMA currently at 143.47
- \* Ahead of next resistance at 143.80 high yesterday, just above 144.00
- \* Support from 142.72-98 hourly Ichi cloud, 55-HMA 142.94 in cloud
- \* Modest-sized option expiries at 142.80-85, 143.00 also supportive

## EURO



CLOSE  
**1.1034**

1M %chg  
**1.08%**

3M %chg  
**2.17%**

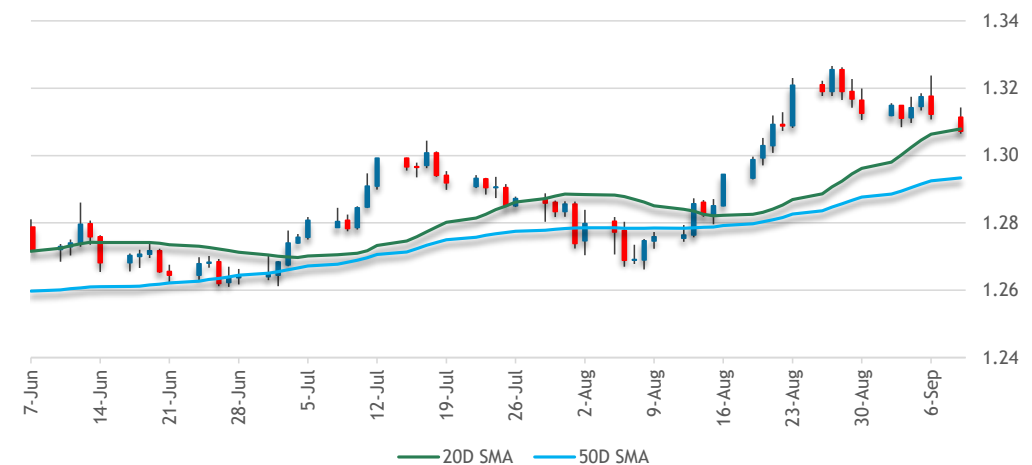
### EUR/USD-Sustains the lower levels - eyes key 1.0996 support

10 Sep 2024 07:22:56 AM

- \* Steady in a 1.1028-1.1039 range, with the US dollar up 0.1%
- \* There is no tier one EZ data, so yield spreads and the USD to lead EUR
- \* Tight range trading is likely ahead of the US Presidential debate
- \* Charts; daily momentum studies slip, 21-day Bollinger bands contract
- \* 5, 10 & 21-day moving averages coil - mixed signals show little bias
- \* A close below 1.0996, 0.382% of the Jun/Aug rise would end the uptrend
- \* Monday's 1.1090 high then Friday's 1.1155 top are initial resistance
- \* 1.1000 1.907 BLN and 1.1040/50 1.963 BLN are the close Sep 10th strikes

# Forex Market

## POUND STERLING



CLOSE **1.3072**      1M %chg **2.45%**      3M %chg **2.76%**

### GBP/USD-Hovers above pivotal support onto UK jobs data

10 Sep 2024 07:42:33 AM

- \* Off 0.05% in a busy 1.3058-1.3075 range on LSEG FX Matching - USD +0.1%
- \* Jobs lead event risk in London, RTRS poll unemployment 4.1%, earnings 5.1%
- \* Market likely wary into The U.S. Presidential Debate in Philadelphia
- \* Charts - Friday's bearish outside day, was confirmed by Monday's fall
- \* 5, 10 & 21 daily moving averages coil as daily momentum studies slip
- \* Monday's 1.3142 high then Friday's 1.3238 top are first resistance
- \* A close below 1.3038, 0.382% April/August rise would be a bearish signal

## TURKISH LIRA



CLOSE **0.0293**      1M %chg **-2.01%**      3M %chg **-5.18%**

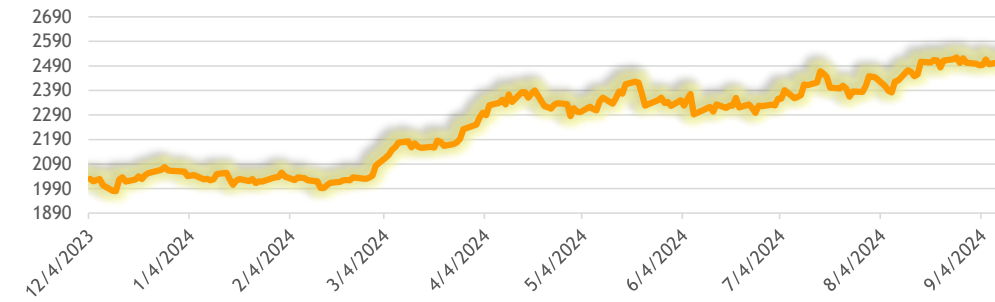
### Turkey - Factors to watch

10 Sep 2024 08:51:38 AM

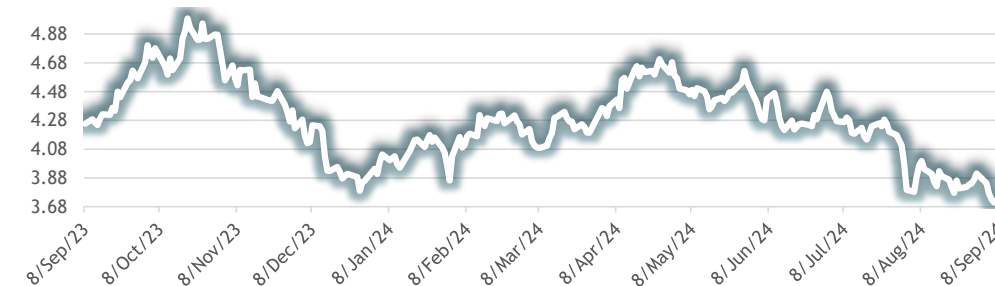
ISTANBUL, Sept 10 (Reuters) - The lira traded at 34.0850 against the U.S. dollar, from a close of 34.0800 on Monday. The main BIST 100 share index closed 0.73% lower at 9,699.56 points on Monday.

# Gold, US Treasury & Dollar Index

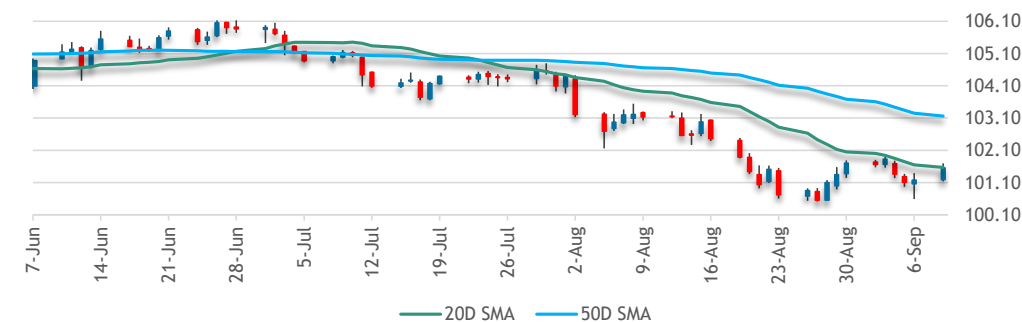
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**3.70**

1M %chg

**-6.16%**

3M %chg

**-16.46%**

### PRECIOUS-Gold prices edge lower ahead of US inflation print

10 Sep 2024 07:26:04 AM

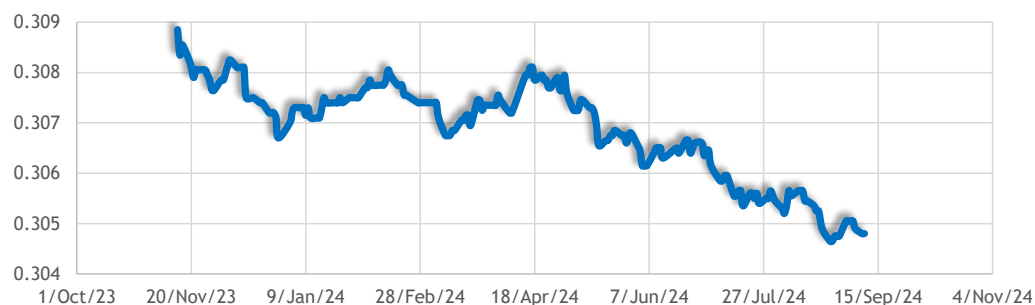
Sept 10 (Reuters) - Gold prices eased on Tuesday, pressured by a firmer dollar, while traders braced for key U.S. inflation figures that could offer hints about the size of the Federal Reserve's interest rate reduction next week. Spot gold dipped 0.1% to 2,503.09 per ounce. U.S. gold futures remained steady at \$2,532.20. The dollar hit a 1-week high, making gold more expensive for other currency holders. Market attention will turn towards U.S. Consumer Price Index (CPI) data on Wednesday and the Producer Price Index (PPI) reading on Thursday. "Gold prices remain locked in its consolidation phase within a broader upward trend for now, as gains were capped by a slight rebound in the US dollar." The Fed is all but certain to ease rates when it meets next week, with traders pricing in a 70% chance of a 25-basis-point cut versus a 30% chance of a 50-bp reduction, according to the CME FedWatch Tool. Spot silver fell 0.3% to \$28.27 per ounce, platinum gained 0.5% to \$942.45 and palladium was up by 0.4% to \$950.55.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Reuters Tankan N-Man Idx	JP	10/Sep 04:30	Sep	24	
Reuters Tankan Man'f Idx	JP	10/Sep 04:30	Sep	10	
Avg Wk Earnings 3M YY*	GB	10/Sep 11:30	Jul	4.5	4.1
Avg Earnings (Ex-Bonus)*	GB	10/Sep 11:30	Jul	5.4	5.1
Claimant Count Unem Chng*	GB	10/Sep 11:30	Aug	135.0	
Employment Change*	GB	10/Sep 11:30	Jul	97	123
ILO Unemployment Rate*	GB	10/Sep 11:30	Jul	4.2	4.1
HMRC Payrolls Change *	GB	10/Sep 11:30	Aug	24	
Redbook YY *	US	10/Sep 18:25	w/e	6.3	
RICS Housing Survey*	GB	11/Sep 04:31	Aug	-19	-14
RICS Housing Survey*	GB	11/Sep 04:31	Aug	-19	-14

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.108	1.1091	1.1033	1.1034	-0.44%
GBP	1.3114	1.3143	1.3065	1.3072	-0.39%
JPY	142.22	143.79	141.94	143.17	0.63%
TRY	0.0294	0.0295	0.0291	0.0293	-0.34%
Dollar Idx	101.187	101.696	101.14	101.552	0.37%
Brent	71.66	72.21	70.65	71.84	1.10%
WTC	69.33	69.91	68.26	69.65	1.56%
Gold	2496.8201	2507.09	2485.396	2505.2549	0.33%
KWSE Index	7196.26	7197.92	7177.49	7181.52	0.03%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.31	3M	4.25
SW	3.75	6M	4.38
1M	3.94	1Y	4.56

## CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

**0.30480**

**-0.52%**

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	5.20
SW	0.08	6M	5.02
1M	5.22	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	10/Sep/'24	1.70	1.65	0.05
TRY ON Lending Rate	21/Mar/'24	53.00	46.50	6.50

## KEY INTERNATIONAL STORIES

### US wholesale July inventories revised slightly lower

WASHINGTON, Sept 9 (Reuters) - U.S. wholesale inventories increased less than initially thought in July amid a sharp rebound in sales, casting doubt on whether inventory investment would contribute to economic growth in the third quarter. The Commerce Department's Census Bureau said that wholesale inventories rose 0.2%, revised down from the 0.3% gain estimated last month. Stocks at wholesalers were unchanged in June. Economists polled by Reuters had expected that the rise in inventories, a key part of gross domestic product, would be unrevised at 0.3%. Inventories advanced 0.4% on a year-on-year basis in July. Private inventory investment contributed to the economy's 3.0% annualized growth rate in the second quarter.

### UK government sets up board to tackle labour market inactivity

LONDON, Sept 10 (Reuters) - Britain's Labour Party on Tuesday launched a new advisory board that will help address long-standing issues in the country's labour market, including reducing high levels of inactivity among working-age people. The "Get Britain Working" plan, aimed at getting more people back to work, is part of government plans to reach 80% employment rate and speed up economic growth. Official figures showed 9.4 million working-age Britons were not in employment or looking for work and 2.8 million were not working because of long-term sickness as of mid-2024, something the government says also reflects long waiting times in the country's increasingly stretched national health service.

### German minimum wage should exceed 15 euros, labour minister says

BERLIN, Sept 9 (Reuters) - Germany should raise its minimum wage to over 15 euros (\$16.59) per hour from 2026, Labour Minister Hubertus Heil told a government-appointed minimum wage commission in a letter seen by Reuters on Monday. According to current calculations by the German Trade Union Confederation DGB, this would be 15.27 euros per hour in 2025. The minimum wage is currently 12.41 euros per hour and set to increase to 12.82 euros in 2025. The minimum wage commission must decide on the increase from 2026 by mid-2025 and it remains to be seen whether the commission will follow the minister's request.

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### China's exports top forecasts, imports disappoint amid depressed domestic demand

BEIJING, Sept 10 (Reuters) - China's exports grew at their fastest pace in nearly 1-1/2 years in August, suggesting manufacturers are rushing out orders ahead of tariffs expected from a growing number of trade partners, while imports missed forecasts amid weak domestic demand. The mixed trade data highlights the challenge facing Beijing as policymakers try to revive domestic demand without becoming too reliant on exports to bolster growth. Outbound shipments from the world's second-largest economy grew 8.7% year-on-year in value last month, the quickest since March 2023, customs data showed on Tuesday, beating a forecast 6.5% increase in a Reuters poll of economists and a 7% rise in July. But imports increased by just 0.5%, missing expectations for a 2% boost.

### Brazil economists see rate hike amid stronger growth, ending 11-week stability streak

BRASILIA, Sept 9 (Reuters) - Brazilian economists surveyed weekly by the central bank have aligned their expectations with future interest rate pricing, now anticipating a rate hike at this month's monetary policy meeting following stronger-than-expected economic data. The shift ended an 11-week streak in which more than 100 professionals surveyed had maintained their median forecast for the benchmark interest rate, the Selic, to remain at the current 10.50% level through year-end. According to the central bank's survey, expectations now see a 25-basis-point hike in each of the three remaining rate-setting meetings this year. The weekly survey also showed respondents raising their gross domestic product forecasts for this year to 2.68%, up from 2.46% the previous week.

### Oil prices dip as weak demand offsets supply disruptions from Gulf storm

Sept 10 (Reuters) - Oil prices edged down on Tuesday as weak Chinese demand offset supply disruptions from Tropical Storm Francine and as global oil oversupply risks continued to weigh on the market. Brent crude futures were down 4 cents, or 0.06%, to \$72.80 a barrel. U.S. West Texas Intermediate crude futures lost 10 cents, or 0.15%, to trade at \$68.60 a barrel. Both benchmarks gained around 1% at Monday's settlement. China's annual demand growth has slowed from around 500,000-600,000 bpd in the five years before the COVID-19 pandemic to 200,000 bpd now, said Daan Struyven, head of oil research at Goldman Sachs.