



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

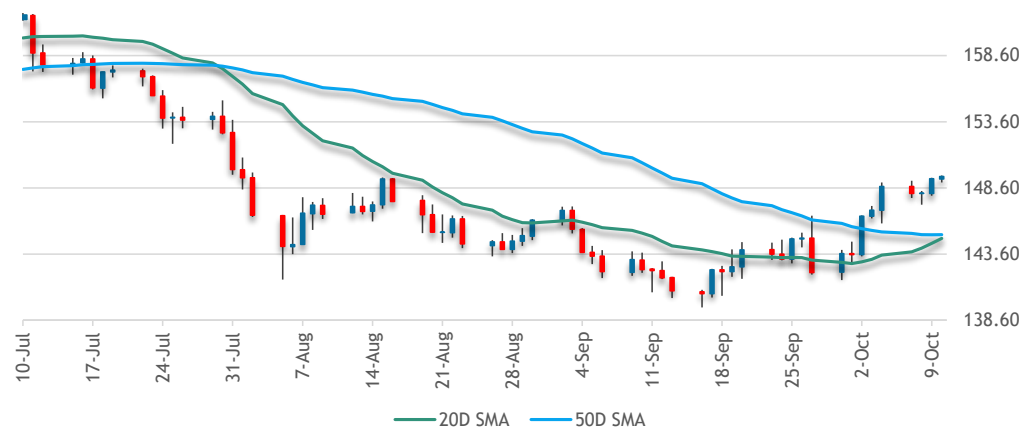
KFH Treasury



Report produced on
Thu, 10-Oct-2024

Forex Market

JAPANESE YEN



CLOSE
149.29

1M %chg
4.27%

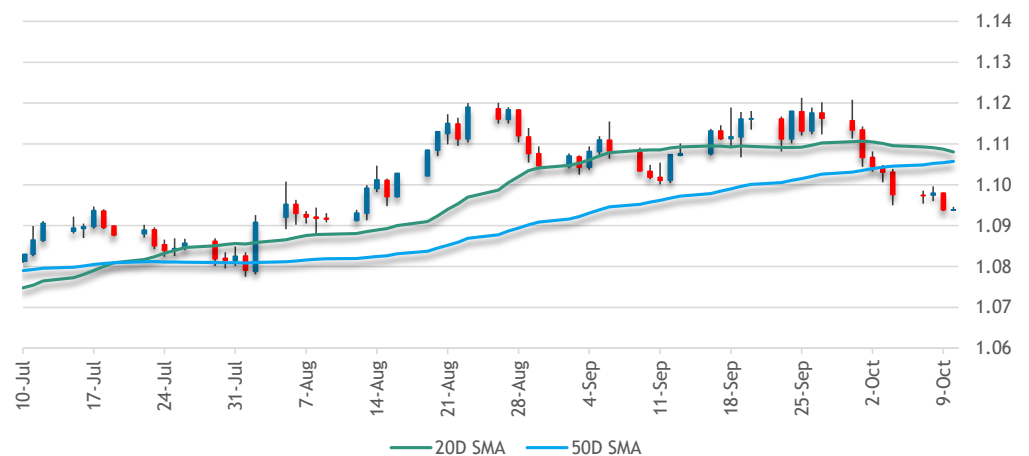
3M %chg
-7.45%

USD/JPY up to 149.36, best since Aug 15, on US yields

10 Oct 2024 04:12:18 AM

- * Higher US yields helped USD/JPY to 149.36 yesterday, best since Aug 15
- * FOMC Sept 17-18 minutes suggested future rate hikes would be data-driven
- * And recent data has been strong, the latest NFP/jobs report in particular
- * US Tsy yields firm, 2s @4.019%, 10s @4.072%, diffs with Japan ylds wider
- * USD/JPY range yesterday 148.02-149.36, Asia so far 149.16-30, quiet
- * Towards middle of 145.65-151.81 daily Ichi cloud, 200-DMA 151.17 near top
- * Hourly cloud 148.02-22, left in dust, hourly kijun 148.69, tenkan 149.22
- * 149.00 \$723 mln, 149.25 \$490 mln, 149.50-55 \$2 bln, 149.80-90 \$1.2 bln

EURO



CLOSE
1.0939

1M %chg
-0.86%

3M %chg
1.17%

EUR/USD-Support under pressure into the US inflation data

10 Oct 2024 06:46:14 AM

- * +0.05% in a tight 1.0937-1.0945 range with the U.S. dollar off 0.05%
- * ECB Monetary Policy Meeting accounts lead, though unlikely to impact EUR
- * U.S. CPI and the following Fed speakers will be key for yields and EUR/USD
- * Charts - daily momentum studies head lower, 21-day Bollinger bands expand
- * 5, 10 & 21-day moving averages track south, a negative trending setup
- * Wednesday's 1.0981 high, then this week's 1.0997 top initial resistance
- * 1.0940, 0.50% Jun/Sep rise is under pressure, break targets 1.0876 0.618%
- * 1.0930 556mln and 1.0950 644mln are the close October 10th strikes

Forex Market

POUND STERLING



CLOSE **1.3070** 1M %chg **-0.02%** 3M %chg **2.25%**

GBP/USD-Taxes, legislation, and the budget key for sterling

10 Oct 2024 07:10:04 AM

- * Steady in a 1.3062-1.3077 range with moderate flow on LSEG FX Matching
- * UK may need to hike taxes by 25 billion pounds in Oct 30 budget - think-tank
- * PM Starmer will outline details of the closely watched workers' rights plan
- * Upcoming legislation and the budget will be key for sterling's outlook
- * Charts, nine days of lower daily highs leave a negative technical setup
- * Daily momentum studies head lower, with horizontal 21-day Bollinger bands
- * 5 & 10 DMAs slide - net negative - this week's 1.3133 high first resistance
- * 1.3002 Sep low and 1.2997 lower 21-day Bolli band likely resilient support

TURKISH LIRA



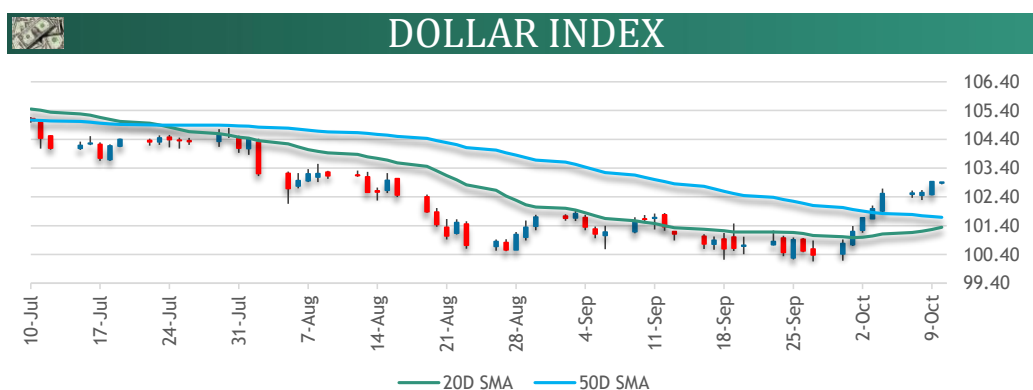
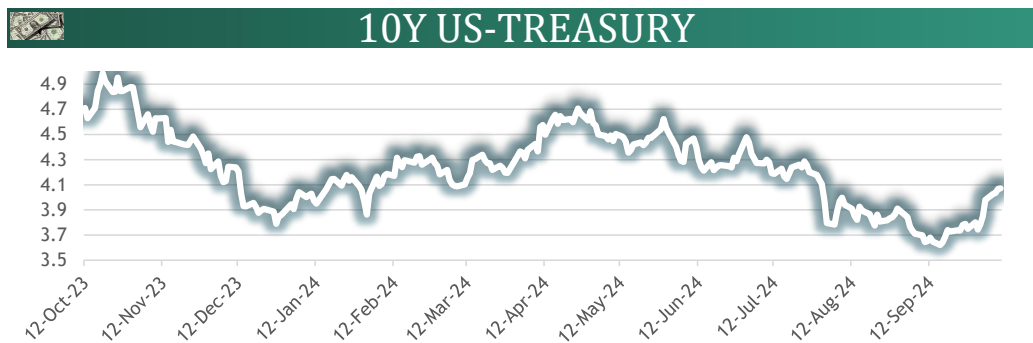
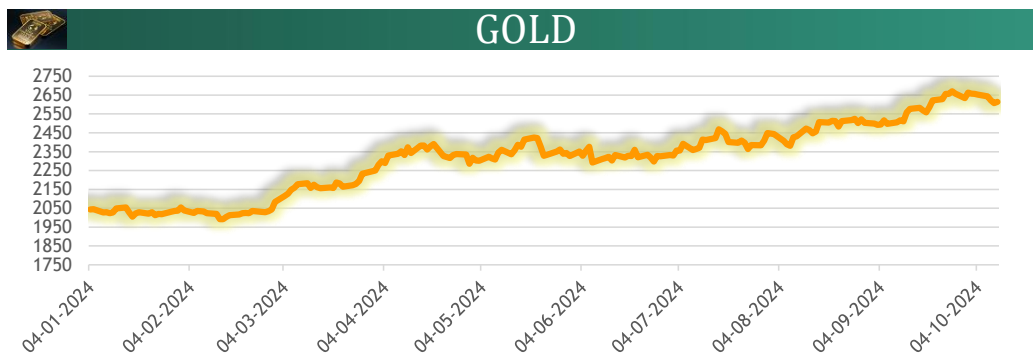
CLOSE **0.0292** 1M %chg **-0.34%** 3M %chg **-3.63%**

Turkey rate cut delayed to December, January after hot inflation

09 Oct 2024 04:35:52 PM

ANKARA, Oct 9 (Reuters) - Turkey's central bank is expected to wait until December or January to cut interest rates after higher-than-expected inflation in September, based on a Reuters poll that showed economists abandoned predictions of an earlier move. Most expected an intitial reduction of 250 basis points, to 47.5%, while one projected a 500-point cut, based on the poll conducted on Tuesday and Wednesday. Monthly inflation was much higher than expected at nearly 3% in September, even as the annual rate fell to 49.4%. The data last week prompted a note of caution from the central bank and prompted analysts to toss out predictions of speedy easing.

Gold, US Treasury & Dollar Index



US 10YT YIELD

4.07

1M %chg

9.95%

3M %chg

-5.42%

PRECIOUS-Gold ticks up, US inflation data in focus

10 Oct 2024 08:22:07 AM

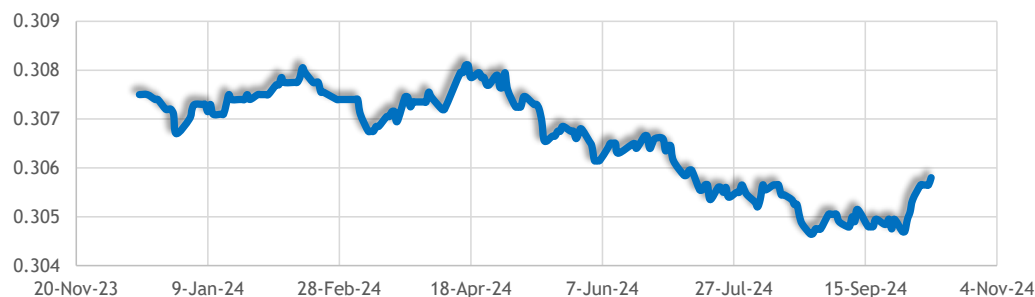
Oct 10 (Reuters) - Gold prices nudged higher on Thursday, while traders await a key U.S. inflation data due later in the day to gauge the Federal Reserve's future monetary policy stance. Spot gold XAU= rose 0.2% to \$2,614.00 per ounce, after easing for the previous six sessions. Prices scaled a record high last month. U.S. gold futures GCcv1gained 0.2% at \$2,631.40. "If core CPI comes hotter, U.S. Treasury yields will go higher and that is bad for gold. I think there is room for prices to come down, but don't necessarily see a downtrend in the big picture," said Ilya Spivak, head of global macro, TastyLive. Markets see an 80% chance of a 25-basis-point Fed rate cut in November. The zero-yielding bullion is preferred in a low-interest rate environment as well as amid periods of economic and geopolitical turmoil. Spot silver XAG= rose 0.3% to \$30.60, platinum XPT= added 1.4% to \$958.60 and palladium XPD= firmed 1.3% to \$1,052.61.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Broad Money*	JP	10-Oct 05:20	Sep	2172.5	
M2 Money Supply*	JP	10-Oct 05:20	Sep	12521760	
Overall Comprehensive Risk	GB	10-Oct 14:30	Q4	8.97	
LSEG IPSOS PCSI	GB	10-Oct 15:30	Oct	54.10	
Core CPI MM, SA*	US	10-Oct 18:00	Sep	0.3	0.2
Core CPI YY, NSA*	US	10-Oct 18:00	Sep	3.2	3.2
CPI MM, SA*	US	10-Oct 18:00	Sep	0.2	0.1
CPI Wage Earner *	US	10-Oct 18:00	Sep	308.640	
CPI Index, NSA*	US	10-Oct 18:00	Sep	314.796	314.860
Core CPI Index, SA*	US	10-Oct 18:00	Sep	319.768	
CPI YY, NSA*	US	10-Oct 18:00	Sep	2.5	2.3

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.098	1.0981	1.0936	1.0939	-0.37%
GBP	1.3104	1.3106	1.3052	1.307	-0.26%
JPY	148.18	149.36	148	149.29	0.74%
TRY	0.0292	0.0292	0.0291	0.0292	0.00%
Dollar Idx	102.485	102.935	102.459	102.928	0.37%
Brent	77.49	78.02	75.15	76.58	-0.78%
WTC	73.95	74.31	72.13	73.85	-0.55%
Gold	2619.94	2624.39	2604.9697	2607.7705	-0.54%
KWSE Index	7048.17	7077.55	7045.51	7045.88	0.14%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.06	3M	3.94
SW	3.50	6M	4.13
1M	3.75	1Y	4.38

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30565

-0.07%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	19-Sep-'24	3.63	3.88	-0.25
1W Repo Rate	19-Sep-'24	3.88	4.13	-0.25
1M Repo Rate	19-Sep-'24	4.13	4.38	-0.25
KWD ON Rate	19-Sep-'24	10.00	10.00	0.00
Discount Rate	19-Sep-'24	4.00	4.25	-0.25

LIBOR RATES

Tenor	Value	Tenor	Value
ON	5.06	3M	4.85
SW	0.08	6M	4.68
1M	4.96	1Y	6.04
2M	0.15		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	18-Sep-'24	5.00	4.50	0.50
ECB Refinancing Rate	12-Sep-'24	3.65	4.25	-0.60
BOE Bank Rate	19-Sep-'24	5.00	5.00	0.00
BOJ Prime Rate	10-Oct-'24	1.75	1.70	0.05
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50

KEY INTERNATIONAL STORIES

Fed's Daly sees one or two more interest rate cuts this year

Oct 9 (Reuters) - San Francisco Federal Reserve Bank President Mary Daly on Wednesday said she "fully" supported the U.S. central bank's half-of-a-percentage-point interest-rate cut last month, and said one or two more rate cuts this year are likely if the economy evolves as she expects. With no change to the Fed policy rate, which the central bank had kept in the 5.25%-5.50% range since July 2023, the real rate of interest was rising, Daly said, "and that was ultimately a recipe, in my judgment, for breaking the economy...and not gaining anything new on the inflation trajectory."

UK may need to hike taxes by 25 billion pounds in Oct. 30 budget, think-tank says

LONDON, Oct 10 (Reuters) - British finance minister Rachel Reeves may need to announce a 25 billion pound tax rise in her first budget on Oct. 30 to help shore up public services such as prisons and police, the non-partisan Institute for Fiscal Studies said. Labour set out 9 billion pounds of tax rises in its election campaign but the IFS said bigger tax increases would be needed for government budgets not to shrink as a share of the economy. The think-tank said a 25 billion pound tax increase would be almost 1% of national income and nearly twice as large as the tax increases after Britain's last two major changes of government, in 2010 and 1997.

ECB policymakers press case for October rate cut

FRANKFURT, Oct 9 (Reuters) - Several European Central Bank policymakers argued their case for another interest rate cut next week, even if some of their colleagues remained unconvinced as turmoil in the Middle East fuels volatility in energy costs. ECB has already lowered rates twice this year and a cut to the 3.5% deposit rate on Oct. 17 is almost fully priced in by financial markets, indicating investors expect the bank to accelerate pace of policy easing given a weak economy and an unexpectedly quick slowdown in price growth. Financial investors now see the ECB's deposit rate falling to 3% by the end of the year and 2% by end of 2025.

DISCLAIMER: This document and its contents do not reflect the opinions, views, policies or positions of London Stock Exchange Group plc ("LSEG") or its affiliates and they are prepared for Kuwait Finance House (KFH)'s and their clients internal consumption only and do not constitute an offer, or the solicitation of an offer, or advice to buy or sell a security or to make a particular investment or follow a particular strategy or enter into any agreement. The information and any views expressed are given as of the date of writing and are subject to change. While the information has been obtained from sources believed to be reliable, LSEG does not warrant that it is accurate or complete and it should not be relied on as such. Responsibility for any decisions taken by KFH (including but not limited to its affiliates and subsidiaries) on the basis of information contained herein solely rest with the end user i.e. KFH's clients. Market Data and News Source is LSEG Eikon. LSEG its affiliates, subsidiaries, employees, and contractors accept no liability for any direct or indirect loss arising out of the use of this document or its contents.

Japan's wholesale inflation perks up, yen rise eases cost pressure

TOKYO, Oct 10 (Reuters) - Japan's wholesale inflation accelerated in September but prices of imported goods slid due to the yen's rebound, data showed on Thursday, suggesting that price pressures from raw material costs were subsiding. The corporate goods price index (CGPI), which measures the price companies charge each other for their goods and services, rose 2.8% in September from a year earlier, BOJ data showed, exceeding a median market forecast for a 2.3% gain. Japan's core consumer inflation hit 2.8% in August, exceeding the BOJ's 2% target for well over two years, keeping alive expectations for further interest rate hikes.

Brazil consumer prices pick up in September amid drought

SAO PAULO, Oct 9 (Reuters) - Consumer prices in Brazil accelerated in September from the previous month due to higher electricity and food costs amid a major drought, reinforcing expectations of further interest rate hikes by the country's central bank. Prices as measured by benchmark inflation index IPCA rose 0.44% in September, government statistics agency IBGE said on Wednesday, nearly in line with the 0.46% increase expected by markets but well above the 0.02% fall seen in August. In the 12 months through September, consumer prices in Latin America's largest economy were up 4.42%. Economists polled by Reuters were expecting an increase of 4.43%.

Oil prices rise on US storm, fears of Israel-Iran conflict

SINGAPORE, Oct 10 (Reuters) - Oil prices rose underpinned by a spike in fuel demand as a major storm barreled into Florida and concerns about potential supply disruptions in the Middle East amid heightened tensions between Israel and major oil producer Iran. Brent crude futures rose 63 cents, or 0.8%, to \$77.21 a barrel, while the U.S. West Texas Intermediate futures were up 63 cents, or 0.9%, at \$73.87 a barrel. EIA data on Wednesday showed crude inventories jumped by 5.8 million barrels to 422.7 million barrels last week. That was a bigger build than analysts polled had expected, but much lower than estimated on Tuesday by the American Petroleum Institute industry group.