



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

KFH Treasury



Report produced on
Wed, 16-Oct-2024

Forex Market

JAPANESE YEN



CLOSE
149.19

1M %chg
5.94%

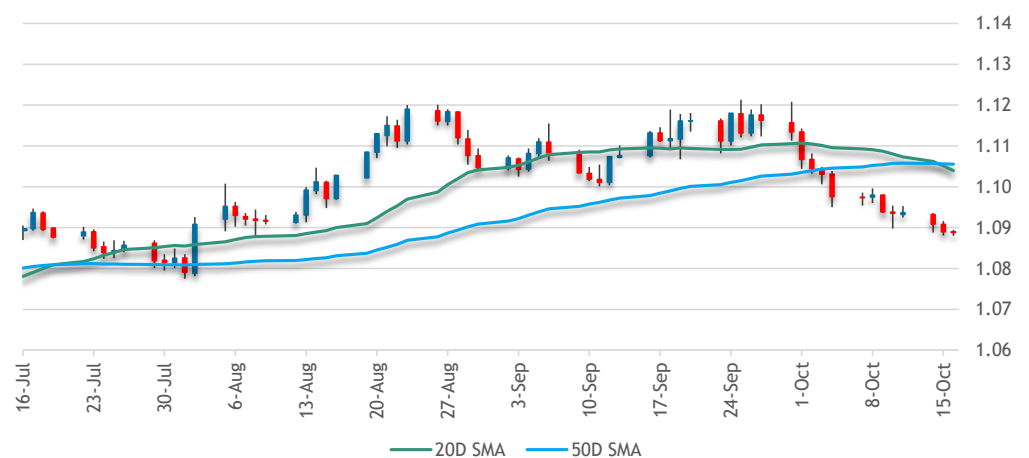
3M %chg
-5.58%

USD/JPY on hold above 149.00, barely in hourly Ichi cloud

16 Oct 2024 04:22:30 AM

- * USD/JPY continued lower overnight, 149.98 late Monday to 148.85 in London
- * Asia so far 149.20-33 EBS, back and forth, NY retracement high 149.54
- * Was in 149.04-67 hourly Ichi cloud but looking to break decisively below
- * Japanese exporter sales again eyed into Tokyo fix but some importer buys
- * Option expiries less of a factor today, large only below and above
- * 147.75-85 \$703 mln, 150.00 \$708 mln, also some at 148.50, between 149.13-23
- * US short yields sideways, long yields off, Tsy 2s @3.946%, 10s @4.037%
- * Only NY Fed survey overnight, Fed Daly dovish, Bostic still tad hawkish

EURO



CLOSE
1.0890

1M %chg
-1.68%

3M %chg
-0.04%

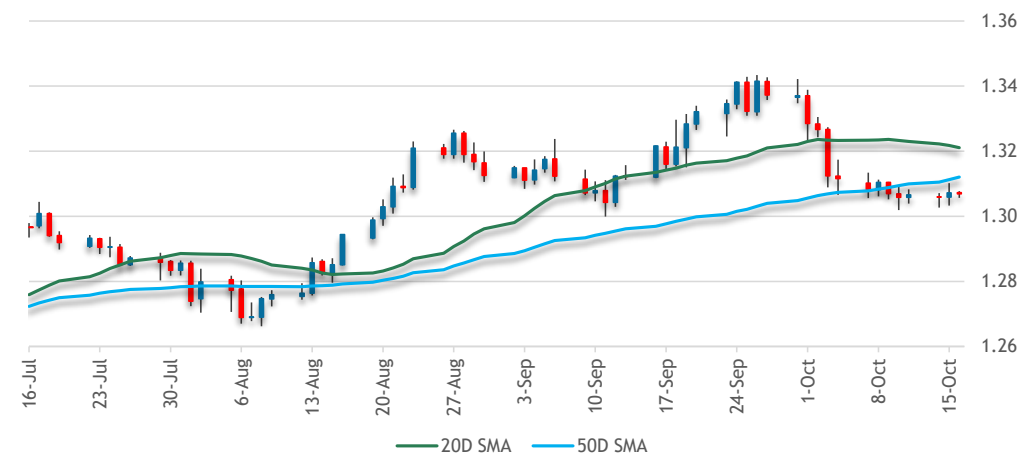
EUR/USD heavy in Asia, EUR crosses too

16 Oct 2024 07:20:44 AM

- * EUR/USD heavy in Asia, 1.0882-93 EBS, mostly quiet
- * On hold for now above flat, 100-DMA at 1.0873, break below bearish
- * View gaining in Tokyo on ECB may out-cut the Fed on rates
- * ECB policy announcement due Thursday, 25 bp cut eyed
- * EUR/USD moving lower with hourly Ichi cloud, currently 1.0905-20
- * Some option expiries in area today at 1.0850 and E537 mln 1.0875-85
- * More massive expiries topside, total E3.4 bln or so between 1.0950-60

Forex Market

POUND STERLING



CLOSE
1.3072

1M %chg
-0.38%

3M %chg
0.82%

GBP/USD-UK inflation data is pivotal for BoE expectations

16 Oct 2024 07:13:04 AM

- * Trades at the top of a busy 1.3060-1.3077 range on LSEG FX Matching
- * Risk 'off' Asian stocks, Nikkei -1.95%, AsiacJP -0.6% supported the USD
- * Sentiment driven by falls on Wall Street and lack of China stimulus detail
- * UK inflation data will be key for BoE expectations - Core CPI Y/Y poll 3.4%
- * Charts- negative daily momentum studies as 21-day Bollinger bands expand
- * 5, 10 & 21-day moving averages edge lower above resilient Fibon support
- * 1.3002 Sept low provides a base - 1.2900, 0.382% Apr-Sep rise next support
- * 1.3085 10-DMA is close then the 1.3133 high last week is first resistance

TURKISH LIRA



CLOSE
0.0292

1M %chg
-1.02%

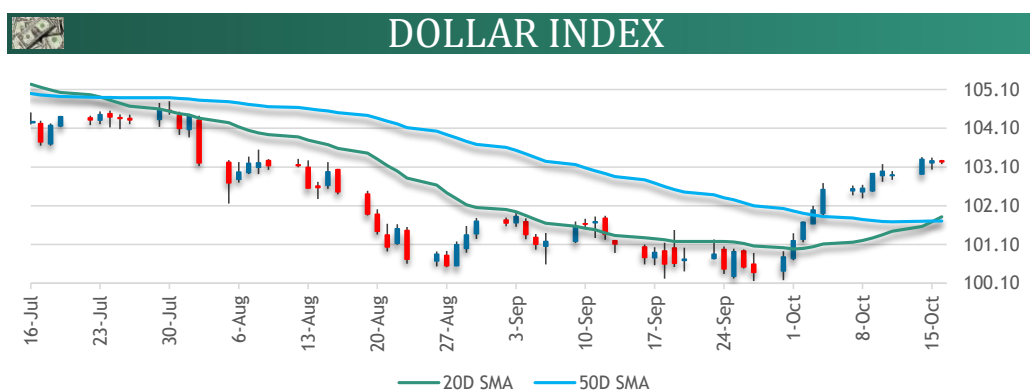
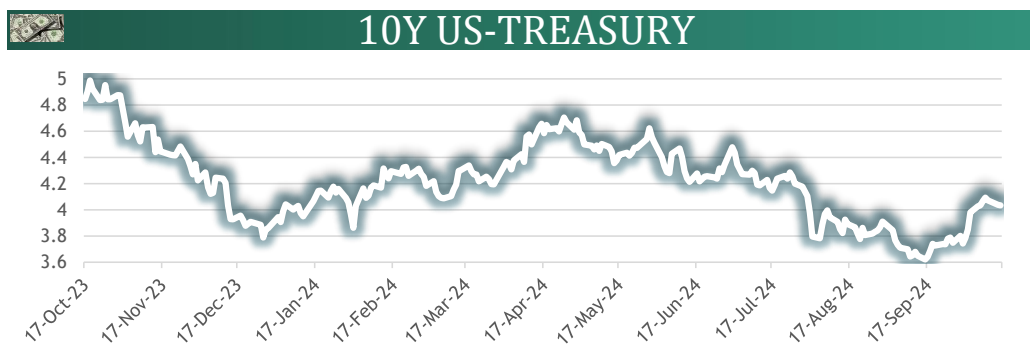
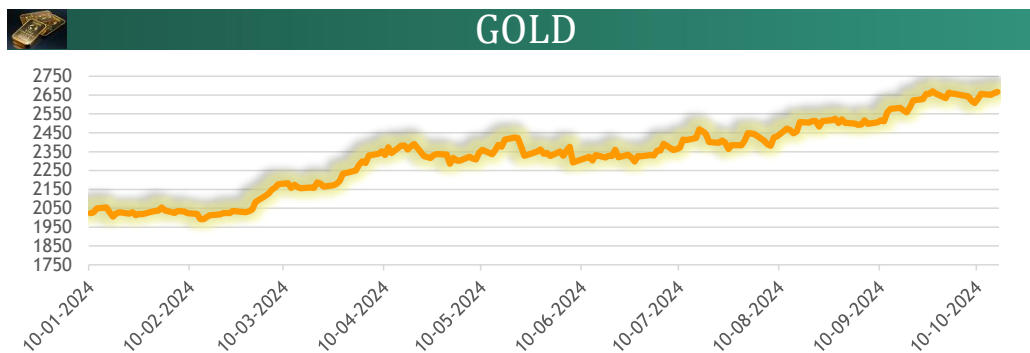
3M %chg
-3.63%

Turkey - Factors To Watch

16 Oct 2024 08:24:27 AM

ISTANBUL, Oct 16 (Reuters) - The lira TRY/TOM=D3 was quoted at 34.2200-34.2800 against the U.S. dollar, compared with Tuesday's close of 34.2220. The main BIST 100 share index .XU100 closed 1.85% higher at 8,860.30 points on Tuesday.

Gold, US Treasury & Dollar Index



US 10YT YIELD

4.03

1M %chg

10.66%

3M %chg

-4.52%

PRECIOUS-Gold ticks up as Treasury yields slip; US retail sales data in focus

16 Oct 2024 06:59:56 AM

Oct 16 (Reuters) - Gold prices inched higher on Wednesday, as U.S. Treasury yields eased, while market participants waited for more U.S. economic data to determine the number of interest rate cuts the Federal Reserve is likely to deliver in the near term. Spot gold XAU= rose 0.3% to \$2,667.97 per ounce, \$17 shy of a record high hit last month. U.S. gold futures GCcv1 gained 0.2% to \$2,683.80. The 10-year Treasury yields US10YT=RR slipped for a third straight session, making zero-yield bullion more appealing. Traders are pricing in a 97.2% chance of a 25 basis-point Fed rate cut in November.

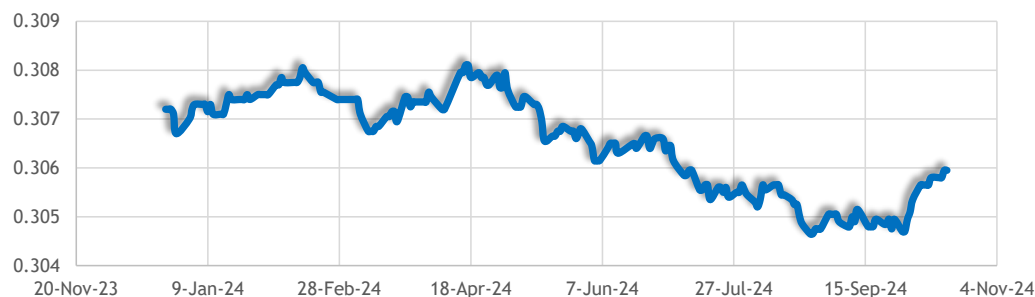
Delegates to the London Bullion Market Association's annual gathering predicted gold prices would rise to \$2,941 over the next 12 months and silver prices would jump to \$45 per ounce. Spot silver XAG= firmed 0.3% to \$31.56 on Wednesday. Platinum XPT= rose 0.6% to \$990.49 and palladium XPD= was up 0.2% at \$1,011.47.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Exports YY	JP	16-Oct 05:20	Sep	5.6	0.5
Imports YY	JP	16-Oct 05:20	Sep	2.3	3.2
Trade Balance Total Yen	JP	16-Oct 05:20	Sep	-695.3	-237.6
Core CPI MM*	GB	16-Oct 11:30	Sep	0.4	0.3
Core CPI YY*	GB	16-Oct 11:30	Sep	3.6	3.4
CPI MM*	GB	16-Oct 11:30	Sep	0.3	0.1
CPI YY*	GB	16-Oct 11:30	Sep	2.2	1.9
PPI Core Output MM NSA*	GB	16-Oct 11:30	Sep	0.1	
PPI Core Output YY NSA*	GB	16-Oct 11:30	Sep	1.3	
PPI Input Prices YY NSA*	GB	16-Oct 11:30	Sep	-1.2	-2.2
PPI Input Prices MM NSA*	GB	16-Oct 11:30	Sep	-0.5	-0.6

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0908	1.0916	1.0881	1.089	-0.17%
GBP	1.3059	1.3102	1.3033	1.3072	0.10%
JPY	149.75	149.83	148.84	149.19	-0.37%
TRY	0.0292	0.0292	0.0288	0.0292	0.00%
Dollar Idx	103.209	103.345	103.031	103.261	-0.04%
Brent	75.22	75.57	73.34	74.25	-4.14%
WTC	71.55	71.58	70.41	71.22	-6.42%
Gold	2650.65	2668.82	2638.1377	2660.9875	0.37%
KWSE Index	7047.83	7102.28	7047.83	7101.9	0.86%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.06	3M	3.94
SW	3.44	6M	4.13
1M	3.69	1Y	4.31

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30595

3M% CHG

0.13%

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

US consumers see higher long-run inflation, rising delinquency risk

NEW YORK, Oct 15 (Reuters) - Americans said they expected higher inflation over the longer run last month, as their expectations of credit turbulence rose to the highest level since April 2020, the Federal Reserve Bank of New York said in a report. While inflation a year from now is seen holding steady at 3%, three years from now it is seen at 2.7% from August's 2.5% estimate, and at 2.9% in five years, from 2.8% in the August survey, the bank said in its latest Survey of Consumer Expectations. The New York Fed report found a small decrease in expected future house price gains.

Euro zone economy shows some signs of growth

FRANKFURT, Oct 15 (Reuters) - The euro zone economy showed some signs of life on Tuesday with a raft of indicators pointing to lukewarm but still positive growth for a bloc that has been skirting a recession for over a year. Industrial production rose by 1.8% on the month in August, a touch ahead of expectations, and was up 0.1% from a year earlier, driven by rising demand for capital and durable consumer goods, Eurostat said. Output in Germany, the bloc's biggest economy, surged more than 3% on the month, the biggest rise among the bloc's larger economies, even if the annualised figure was still deeply negative.

Canada's inflation eases to 1.6%, ups chances of 50 bps rate cut next week

OTTAWA, Oct 15 (Reuters) - Canada's annual inflation rate slowed more than expected to 1.6% in September, data showed on Tuesday, prompting markets to increase bets of a 50 basis point rate cut next week. Consumer prices in Canada have consistently eased since the beginning of the year, touching the mid-point of Bank of Canada's 1%-3% target range last month as high interest rates hobbled consumer demand and business investments. Shelter price inflation, which the central bank has flagged as one of the areas the bank wants to see more cooling, came in at 5.0% compared with 5.3% in August.

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Australia's central bank not concerned inflation expectations getting de-anchored

SYDNEY, Oct 16 (Reuters) - Australia's central bank is not concerned that inflation expectations could become de-anchored in the near-term, a top official said, although policymakers remained alert to such a risk. In a speech in Sydney, Reserve Bank of Australia Assistant Governor Sarah Hunter said inflation expectations have not become de-anchored, with new research showing that households appear to have looked through the recent spike in inflation more than the central bank might have expected. However, underlying inflation has remained sticky at 3.9%, one reason that policymakers do not expect inflation to slow to the midpoint of the target band in 2026.

IMF sees Mexico economic growth slowing in 2024, 2025

MEXICO CITY, Oct 15 (Reuters) - The International Monetary Fund on Tuesday said it sees Mexico's economic growth slowing to around 1.5% this year, citing capacity constraints and tight monetary policy. Growth is seen slowing to 1.3% in Latin America's second-largest economy next year, the IMF said in a statement, when inflation is also expected to close in on the central bank's target of 3%. Mexico's central bank, known as Banxico, lowered its benchmark interest rate to 10.50% in a split decision in September. But minutes from the meeting showed that the board members expect easing inflation could allow for further rate cuts.

Oil steadies after sharp fall, Middle East uncertainty persists

SINGAPORE, Oct 16 (Reuters) - Oil prices inched higher in early trade on Wednesday on uncertainty over what may happen next in the Middle East conflict, after demand concerns knocked the market to its lowest since early October in the previous session. Brent crude oil futures LCOc1 rose 14 cents, or 0.2%, to \$74.39 a barrel. U.S. West Texas Intermediate crude futures CLc1 climbed 19 cents, or 0.3%, to \$70.77 per barrel. Oil prices tumbled more than 4% to a near two-week low on Tuesday due to a weaker demand outlook and after a media report said Israel would not strike Iranian nuclear and oil sites, easing fears of a supply disruption.



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