



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

KFH Treasury



Report produced on
Tue, 22/Oct/2024

Forex Market

JAPANESE YEN



CLOSE
150.83

1M %chg
4.81%

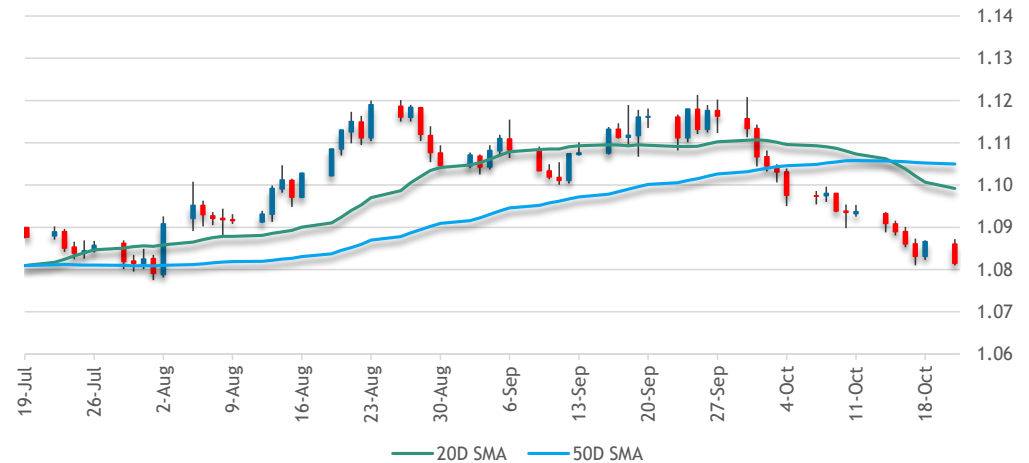
3M %chg
-4.23%

USD/JPY up more after early dip, above daily Ichi cloud

22 Oct 2024 07:45:26 AM

- * USD/JPY higher in Asia following an early dip into the Tokyo fix
- * Japanese exporter and spec sales into the Tokyo fix, bought thereafter
- * USD/JPY 150.80 early to 150.50 post Tokyo fix, later up to 150.97 EBS
- * Talk some option barriers maybe at 151.00, stops likely above too
- * 151.00, 151.50 and 152.00 likely points of contention for option players
- * Large option expiries scheduled at these strikes Thursday
- * US yields on a higher plane supportive, Treasury 2s @4.033%, 10s @4.205%
- * JPY crosses also follow USD/JPY higher, JPY weak across the board

EURO



CLOSE
1.0815

1M %chg
-3.11%

3M %chg
-0.57%

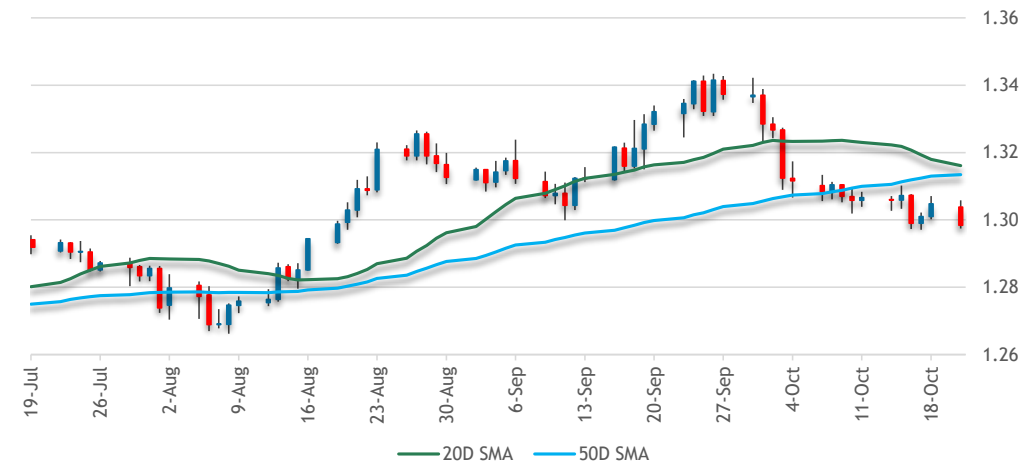
EUR/USD heavy, crosses mixed in lethargic Asia trade

22 Oct 2024 07:16:34 AM

- * EUR/USD again does little in Asia after fall overnight, 1.0814-21 EBS
- * Heavy on broad USD strength, maybe less dovish Fed, still dovish ECB?
- * ECB Lagarde to speak on sidelines of IMF/World Bank meetings tonight
- * Support from ahead of 1.0800, 1.0811 now double bottom - o/n and Oct 17
- * Break below bearish however, projects test towards 1.0783/77 lows Aug 2/1
- * Option expiries today 1.0750 E737 mln, 1.0800 E557 mln, 1.0825 E406 mln
- * Also massive E2.1 bln at 1.0850, to help cap? And 1.0880-85 E1.2 bln

Forex Market

POUND STERLING



CLOSE
1.2984

1M %chg
-2.53%

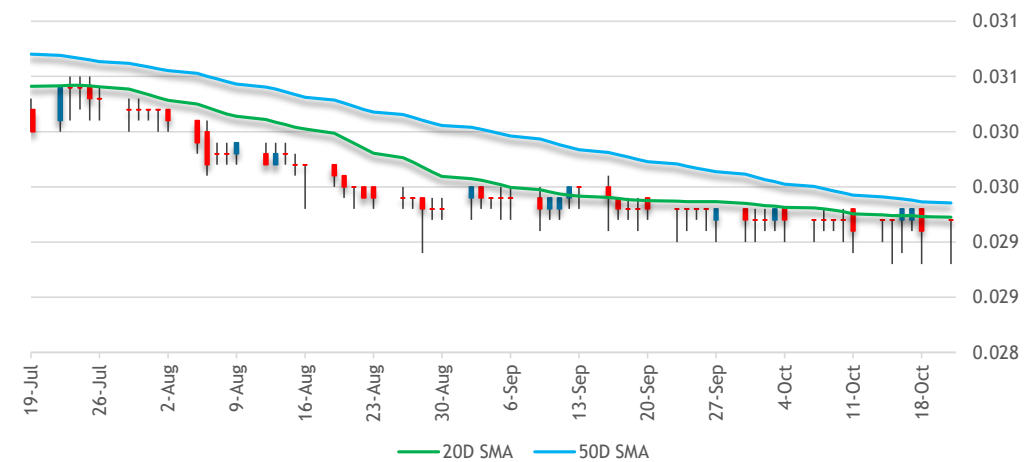
3M %chg
0.50%

GBP/USD-Cautious markets in Asia - BoE speakers lead event risk

22 Oct 2024 07:08:21 AM

- * Trades up 0.05% in a tight 1.2980-1.2990 range with moderate flow
- * Risk appetite under pressure in Asia with e-minis and local stocks lower
- * BoE Gov Bailey and MPC Member Greene to speak - could spark volatility
- * Charts - daily momentum studies ease as 21-day Bollinger bands slide
- * 5, 10 & 21-day moving averages slip - signals show a bearish bias
- * 1.2975 low last week is close, break targets 1.2900 0.382% Oct-Sep rise
- * 1.3103 high last week then 1.3154 21-day moving average are first resistance
- * A close below 1.2900 would target 1.2736, 0.5% of the October-September rise

TURKISH LIRA



CLOSE
0.0292

1M %chg
-0.34%

3M %chg
-2.67%

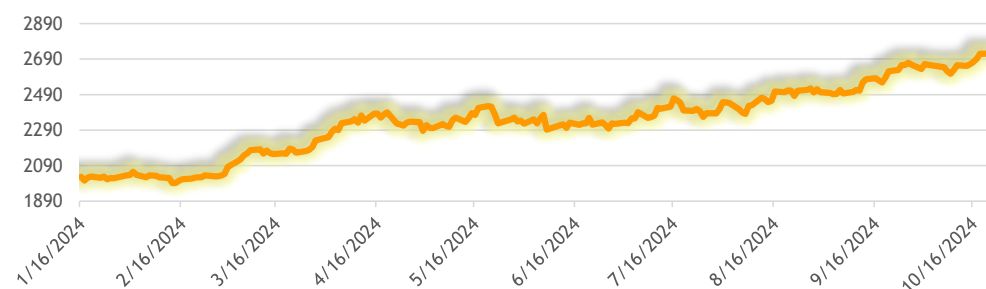
Turkey - Factors To Watch

22 Oct 2024 08:31:02 AM

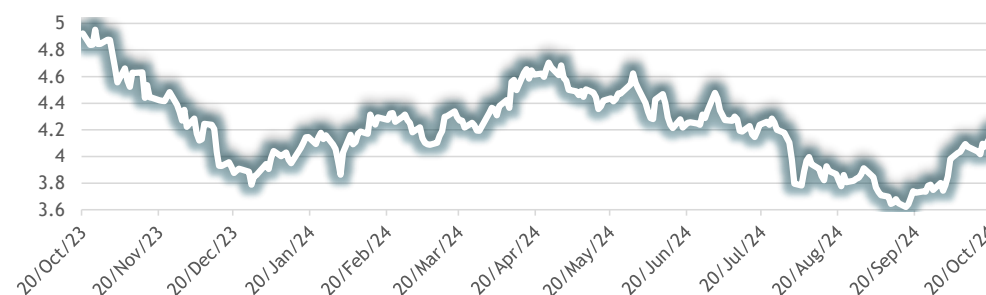
ISTANBUL, Oct 22 (Reuters) - The lira was quoted at 34.2150-34.2400 against the U.S. dollar, compared with Monday's close of 34.2300. The main BIST 100 share index closed 1.58% lower at 8,654.39 points on Monday. Turkey will need \$108 billion of public and private investment as it aims to quadruple its wind and solar energy power capacity to 120,000 MW by 2035, Energy Minister Alparslan Bayraktar said on Monday.

Gold, US Treasury & Dollar Index

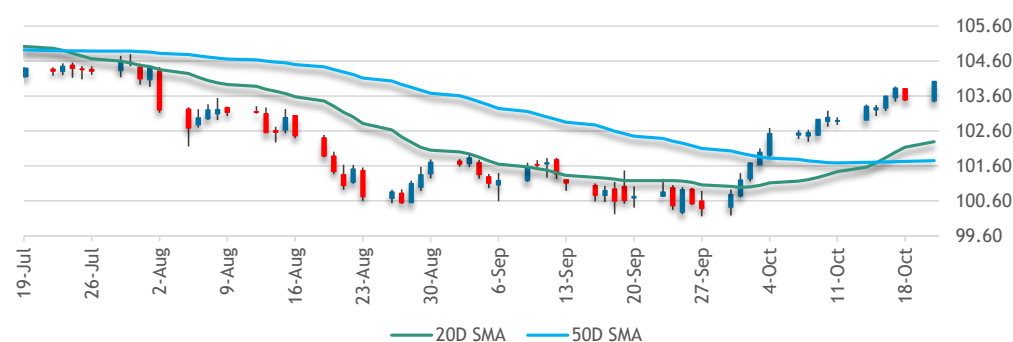
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.18

1M %chg

12.18%

3M %chg

-1.34%

PRECIOUS-Gold hovers near record high on safe-haven demand

22 Oct 2024 08:18:07 AM

Oct 22 (Reuters) - Gold prices rose on Tuesday and hovered near a record high hit in the previous session amid uncertainties around the U.S. election, ongoing Middle East tensions, and expectations of central banks' interest rate cuts. Spot gold rose 0.4% to \$2,729.91 per ounce. U.S. gold futures rose 0.2% to \$2,744.40. Gold hit its all-time high of \$2,740.37 on Monday and has gained about 32% so far this year. "A confluence of tailwinds remains in place (for gold), which includes its status as an attractive hedge against U.S. election uncertainties and geopolitical risks, resilient central banks' demand and room for catch-up ETF buying," IG market strategist Yeap Jun Rong said. Gold's rally comes despite a firmer U.S. dollar and yields. Spot silver rose 0.5% to \$33.93 per ounce after hitting its highest since late-2012 in the last session. Citi Research revised its 6 to 12-month forecast for silver prices upward to \$40 per ounce from \$38 per ounce. Platinum rose 0.3% to \$1,006.35 per ounce. Palladium added 0.6% to \$1,057.65.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
PSNCR, GBP*	GB	22/Oct 11:30	Sep	4.875	
PSNB, GBP*	GB	22/Oct 11:30	Sep	13.734	
PSNB Ex Banks GBP*	GB	22/Oct 11:30	Sep	13.734	17.500
Redbook YY *	US	22/Oct 18:25	w/e	5.6	
Rich Fed Mfg Shipments*	US	22/Oct 19:30	Oct	-18	
Rich Fed Comp. Index*	US	22/Oct 19:30	Oct	-21	
Rich Fed, Services Index*	US	22/Oct 19:30	Oct	-1	
Foreign Bond Investment	JP	23/Oct 05:20	w/e	-363.1	
Foreign Invest JP Bonds*	JP	23/Oct 05:20	w/e	719.4	
Foreign Stock Investment*	JP	23/Oct 05:20	w/e	-142.5	
Foreign Invest JP Stock	JP	23/Oct 05:20	w/e	968.4	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.086	1.0872	1.081	1.0815	-0.47%
GBP	1.3038	1.3058	1.2974	1.2984	-0.49%
JPY	149.47	150.88	149.07	150.83	0.88%
TRY	0.0292	0.0292	0.0288	0.0292	0.34%
Dollar Idx	103.464	104.016	103.421	104.012	0.50%
Brent	73.11	74.57	72.8	74.29	1.68%
WTC	70.99	71.63	70.41	71.16	1.98%
Gold	2721.11	2740.37	2713.99	2719.6453	-0.02%
KWSE Index	7053.42	7063.11	7015.05	7026.91	-0.32%

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

3M% CHG

0.30605

0.15%

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	17/Oct/'24	3.40	3.65	-0.25
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

Four Fed policymakers favor more rate cuts, but differ on pace

Oct 21 (Reuters) - Four Federal Reserve policymakers on Monday expressed support for further interest-rate cuts, but appeared to differ on how fast or far they believe any cuts should go. Three of them, citing the strength of the economy and an uncertain outlook, expressed a preference for going slow, using words like "modest" and "gradual" to describe their views on the right pace for rate cuts. The Fed last month cut the policy rate by a bigger-than-expected half of a percentage point, to a range of 4.75% to 5%, given cooling in both inflation and labor markets. It was the first rate cut in four years. Fed policymakers' economic projections showed that most thought further, and likely smaller, interest-rate reductions would be appropriate.

Asking prices for UK homes barely rise in October, Rightmove says

LONDON, Oct 21 (Reuters) - Asking prices for British homes rose only marginally in October as more properties came onto the market, according a survey on Monday that also suggested some buyers were waiting for clarity on tax changes in the new government's upcoming budget. Asking prices rose by just 0.3% in October, well below their average for a 1.3% monthly increase for the month, property website Rightmove said. The number of homes available for sale was 12% higher than the same time period last year, and was the highest per real estate agent since 2014. Overall activity in the property market remained strong, with buyer demand rising. Prices were 1.0% higher than a year earlier.

German producer prices fall more than expected in September

BERLIN, Oct 21 (Reuters) - German producer prices fell more than expected in September, declining 1.4% year on year, due mainly to significantly lower energy prices, the federal statistics office said on Monday. Analysts polled by Reuters had expected a 1.0% decline. The main reason for the dip was lower energy prices, which were 6.6% lower in September compared with the same month last year. Mineral oil products in particular were down 14.4%. Excluding energy prices, producer prices were up 1.2%, with higher costs for capital, consumer and intermediate goods.

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China's youth unemployment rate falls after climbing for two straight months

BEIJING, Oct 22 (Reuters) - The jobless rate for 16-to-24-year olds in China, excluding students, fell to 17.6% in September from 18.8% a month prior, official data showed on Tuesday, offering officials relief after youth unemployment hit fresh highs for two straight months. Unemployment among young people and college graduates jumped from 13.2% in June to 17.1% in July, as some 12 million students entered the labour market, before the August figure rose to its highest level since the National Bureau of Statistics decided to change the methodology to not include students in December 2023. Youth unemployment hit a record high of 21.3% in June last year, prompting China to halt publication of the closely watched benchmark until that change was made.

Mexico's headline inflation seen up, core down, in first half of October

MEXICO CITY, Oct 21 (Reuters) - Headline inflation in Mexico probably accelerated in the first half of October, while its core measure continued to ease, a Reuters poll showed on Monday, reinforcing expectations that the central bank will continue cutting its benchmark interest rate. The median forecast from 10 analysts estimated headline inflation of 4.67% for the first half of the month, up from 4.50% in the previous two weeks, when it touched its lowest level since March. The closely-watched core inflation index, which excludes highly volatile prices, however is expected to drop to 3.84%, its lowest level since January 2021. Mexico's national statistics institute INEGI will publish inflation data for the first half of October on Thursday.

Oil prices dip as geopolitical risks stabilise, China demand weighs

TOKYO/SINGAPORE, Oct 22 (Reuters) - Oil prices eased on Tuesday as the top U.S. diplomat renewed efforts to push for a ceasefire in the Middle East and as slowing demand growth in China, the world's top oil importer, continued to weigh on the market. Brent crude futures for December delivery were down 19 cents, or 0.3%, at \$74.1 a barrel. U.S. West Texas Intermediate crude futures for November delivery were 18 cents lower at \$70.43 a barrel on the contract's last day as the front month. The more actively traded WTI futures for December, which will soon become the front month, lost 14 cents, or 0.2%, to \$69.9 per barrel.