



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

KFH Treasury



Report produced on
Thu, 24-Oct-2024

Forex Market

JAPANESE YEN



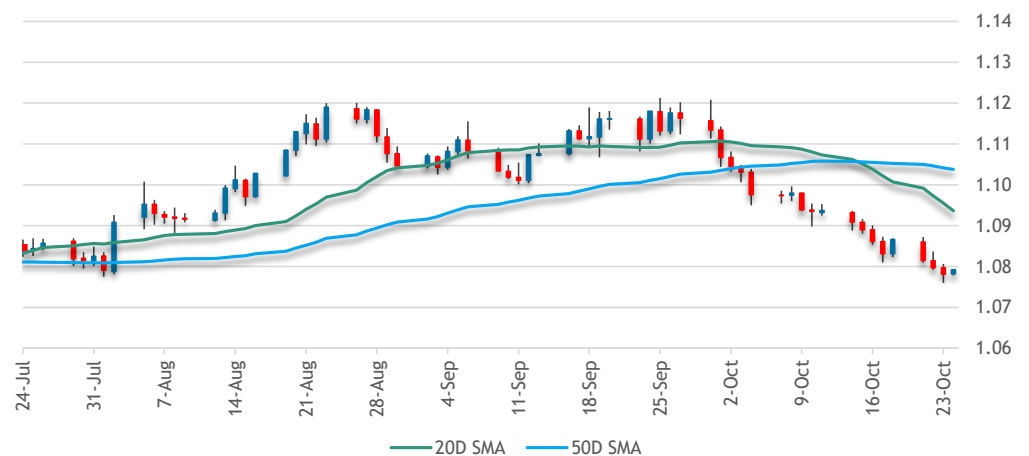
CLOSE **152.75**
 1M %chg **6.37%**
 3M %chg **-1.82%**

USD/JPY-Slips as yield spreads tightened - soft data

24 Oct 2024 07:39:25 AM

- * Trades off 0.25% as yield spreads tightened - 10yr UST slipped 2bp to 4.226%
- * Japan's Jibun Bank factory activity contracted for 4th month to 49 from 49.7
- * BOJ Gov Kazuo Ueda said achieving the 2% inflation target is "taking time"
- * The Japanese election at the weekend suggests the BOJ will remain cautious
- * Charts; 5, 10 & 21-day moving averages climb with the daily momentum studies
- * The sustained break of the Ichimoku cloud top this week is positive
- * The bullish setup targets a break of 153.41, 0.618% Fibo of July-Sept fall
- * 151.40 200 day moving average and the 151.01 Tenkan line are first supports

EURO



CLOSE **1.0781**
 1M %chg **-2.98%**
 3M %chg **-0.65%**

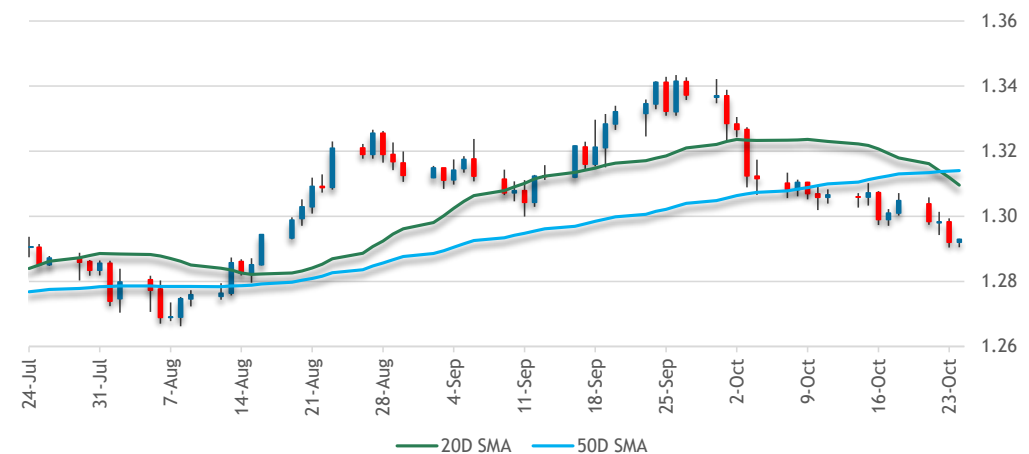
EUR/USD-June low supports, but the downtrend remains strong

24 Oct 2024 07:24:21 AM

- * +0.05% in a tight 1.0779-1.0790 Asian range with the USD off 0.05%
- * Eurozone flash PMIs, a good gauge of the economy lead today's data risk
- * Charts - mixed daily momentum studies, 21-day Bollinger bands fall
- * 5, 10 & 21-day moving averages track lower, signals retain a bearish bias
- * The 1.0847 10 DMA then Monday's 1.0871 high, are first resistance
- * 1.0783, 78.6% of the Jun/Sep rise and 1.0777 August low are under pressure
- * Sustained break will target a test of the 1.1066 June trend low
- * 1.0750/55 3.989BLN 1.0775/85 3.327BLN and 1.0800 1.762BLN strikes contain

Forex Market

POUND STERLING



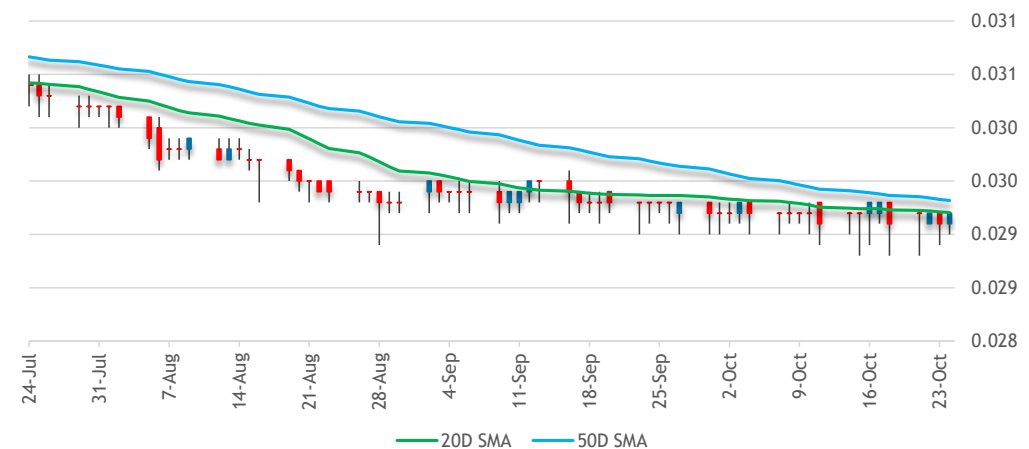
CLOSE **1.2920** 1M %chg **-3.19%** 3M %chg **0.12%**

GBP/USD-Hovers above key support into UK flash PMIs

24 Oct 2024 07:14:14 AM

- * Steady in a tight but busy 1.2911-1.2926 range on LSEG FX Matching
- * UK finance minister Reeves promises economic 'reset' in upcoming budget
- * The mix of taxation and spending will be key for yields, investment and GBP
- * Flash manufacturing and services PMIs lead event risk in London
- * Charts - daily momentum studies ease as 21-day Bollinger bands slide
- * 5, 10 & 21-day moving averages fall - signals show a strong bearish bias
- * 1.2900 0.382% Oct-Sep rise held, the 1.2736 0.5% is the next support
- * Wednesday's 1.2995 high then this week's 1.3058 top are the first resistance

TURKISH LIRA



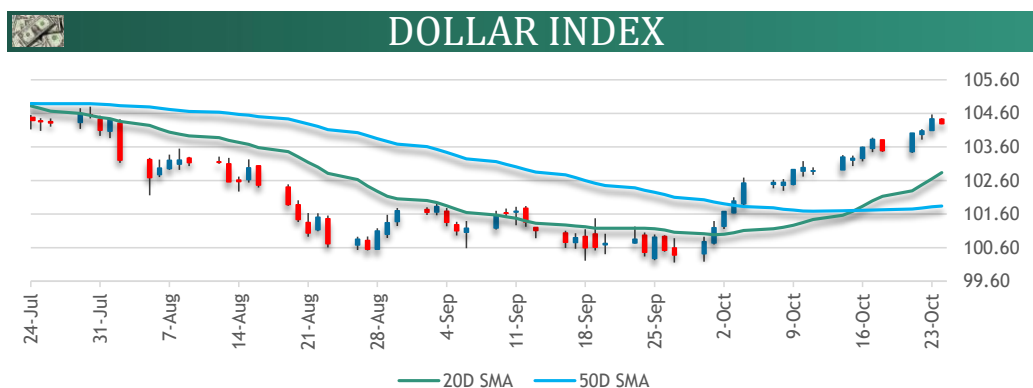
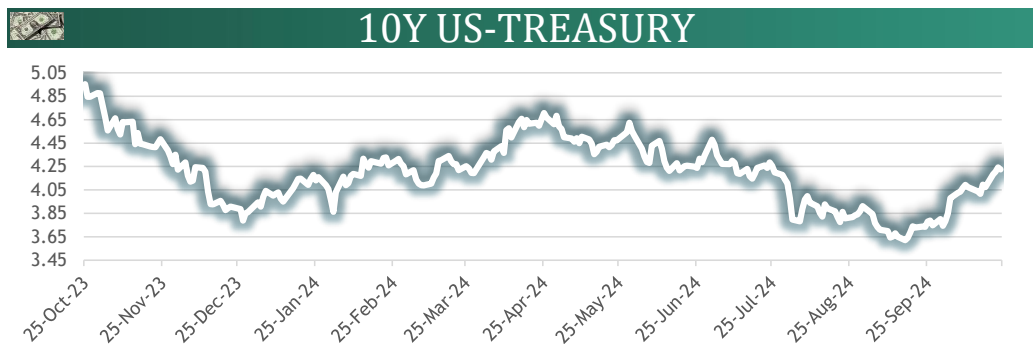
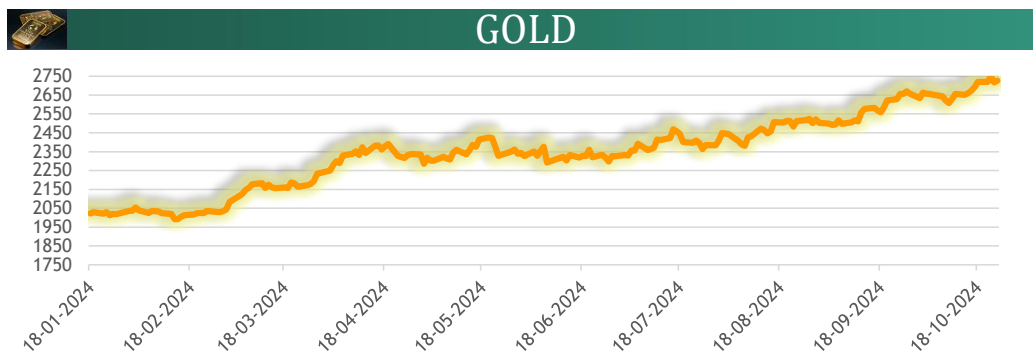
CLOSE **0.0291** 1M %chg **-0.68%** 3M %chg **-4.28%**

Turkey - Factors To Watch

24 Oct 2024 08:30:46 AM

ANKARA, Oct 24 (Reuters) - The lira TRYTOM=D3 was quoted at 34.2985 against the U.S. dollar, compared with Wednesday's close of 34.2945. The main BIST 100 share index .XU100 closed 1.40% lower at 8,714.69 points on Wednesday. Turkey will need a smaller budget next year to meet the cost of damage from the 2023 earthquake and the needs of affected people as the majority of planned funds have already been allocated, Vice President Cevdet Yilmaz said.

Gold, US Treasury & Dollar Index



US 10YT YIELD

4.23

1M %chg

13.48%

3M %chg

0.07%

PRECIOUS-Gold ticks higher as safe-haven bids offset firm dollar

24 Oct 2024 08:11:43 AM

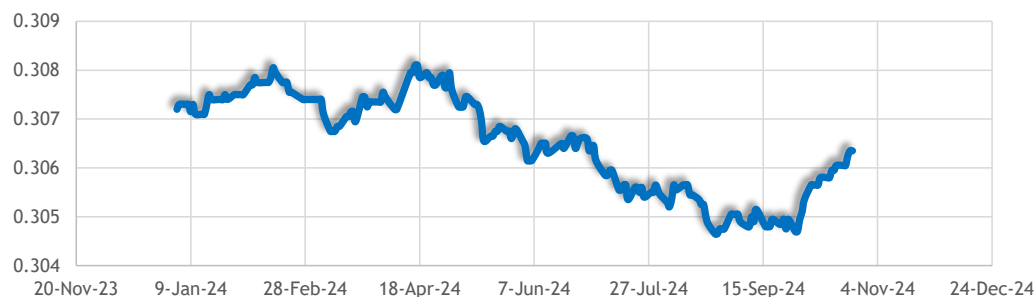
Oct 24 (Reuters) - Gold prices drifted higher Thursday as safe-haven demand countered a firmer dollar, with analysts expecting record highs for bullion, while palladium hit its highest in more than a month. Spot gold XAU= rose 0.2% to \$2,723.10 per ounce after scaling a record high of \$2,758.37 on Wednesday as U.S. election jitters and Middle East tensions boosted demand. U.S. gold futures gained 0.3% to \$2,736.10. Lower borrowing costs, stimulus measures in China, and supply constraints will continue to drive silver higher, into 2025 it could potentially climb to levels around \$45, Sachdeva said. Spot silver XAG= firmed 0.5% to \$33.89 per ounce. Palladium XPD=jumped 5.1% to \$1,111.50, its highest level since Sept. 18. The U.S. asked Group of Seven allies to consider sanctions on Russian palladium and titanium, Bloomberg News reported. Russia's Nornickel is the world's largest palladium producer. Platinum XPT= rose 0.9% at \$1,025.15.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

| INDICATOR | Ctry / Regn | Time | For | Prior | Consensus |
|----------------------------|-------------|--------------|-----|-------|-----------|
| GfK Consumer Confidence* | GB | 24-Oct 04:31 | Oct | -20 | -21 |
| CPI Tokyo Ex fresh food YY | JP | 24-Oct 05:00 | Oct | 2.0 | 1.7 |
| CPI, Overall Tokyo | JP | 24-Oct 05:00 | Oct | 2.2 | |
| Service PPI* | JP | 24-Oct 05:20 | Sep | 2.70 | |
| JibunBK SVC PMI Flash SA * | JP | 24-Oct 06:00 | Oct | 53.1 | |
| JibunBK Comp Op Flash SA * | JP | 24-Oct 06:00 | Oct | 52.0 | |
| JibunBK Mfg PMI Flash SA | JP | 24-Oct 06:00 | Oct | 49.7 | |
| HCOB Composite Flash PMI | EU | 24-Oct 13:30 | Oct | 49.6 | 49.8 |
| HCOB Mfg Flash PMI | EU | 24-Oct 13:30 | Oct | 45.0 | 45.3 |
| HCOB Services Flash PMI | EU | 24-Oct 13:30 | Oct | 51.4 | 51.5 |
| Flash Composite PMI | GB | 24-Oct 14:00 | Oct | 52.6 | 52.6 |

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

| INSTRUMENT | OPEN | HIGH | LOW | CLOSE | %CHG 1D |
|------------|---------|---------|---------|---------|---------|
| EUR | 1.0797 | 1.0806 | 1.076 | 1.0781 | -0.15% |
| GBP | 1.2983 | 1.2994 | 1.2904 | 1.292 | -0.49% |
| JPY | 151.07 | 153.18 | 151 | 152.75 | 1.12% |
| TRY | 0.0292 | 0.0292 | 0.0289 | 0.0291 | -0.34% |
| Dollar Idx | 104.091 | 104.57 | 104.09 | 104.431 | 0.34% |
| Brent | 75.73 | 76.05 | 74.42 | 74.96 | -1.42% |
| WTC | 71.15 | 72.09 | 70.98 | 71.37 | -2.02% |
| Gold | 2749.07 | 2758.37 | 2708.58 | 2717.54 | -1.12% |
| KWSE Index | 7018.32 | 7024.95 | 6982.48 | 6982.69 | -0.44% |

KIBOR RATES

| Tenor | Value | Tenor | Value |
|-------|-------|-------|-------|
| ON | 2.06 | 3M | 3.94 |
| SW | 3.50 | 6M | 4.13 |
| 1M | 3.75 | 1Y | 4.31 |

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30635

3M% CHG

0.28%

| 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

US existing home sales slide to 14-year low; prices stay elevated

WASHINGTON, Oct 23 (Reuters) - U.S. existing home sales dropped to a 14-year low in September, weighed down by higher mortgage rates and house prices. Home sales fell 1.0% last month to a seasonally adjusted annual rate of 3.84 million units, the lowest level since October 2010, the National Association of Realtors said on Wednesday. Economists polled by Reuters had forecast home resales would be unchanged at a rate of 3.86 million units. The rate on the popular 30-year fixed mortgage averaged 6.44% last week compared to 6.08% at the end of September, data from mortgage finance agency Freddie Mac showed.

UK pay growth steadies, employers see further slowing in 2025

LONDON, Oct 23 (Reuters) - Growth in pay awards by British employers stagnated during the three months to September and firms expect average wage rises to cool over the coming 12 months, according to a survey that added to signs that Britain's labour market is softening. Human resources data company Brightmine said on Wednesday the expected median pay award in the year ahead was 3%, down from pay awards of 6% in the same period in 2023, reflecting a sharp drop in inflation. Brightmine said the median pay award in the public sector for the year to September stood at 5.5%, the same as in August.

Bank of Canada slashes rates, says monetary policy has worked

OTTAWA, Oct 23 (Reuters) - The Bank of Canada on Wednesday reduced its key benchmark rate by 50 basis points to 3.75%, its first bigger-than-usual move in more than four years, and hailed signs the country has returned to an era of low inflation. The central bank, which hiked rates to a 20-year high to fight soaring prices, has now cut four times in a row since June. Inflation in September sank to 1.6%, below the 2% target. The headline September inflation rate of 1.6% underscored concerns the high cost of borrowing might have suppressed the rise in prices more than the economy needed.

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Japan's factory activity dips for 4th straight month, PMI shows

TOKYO, Oct 24 (Reuters) - Japan's factory activity contracted for the fourth straight month in October on subdued demand and weak orders, a private-sector survey showed on Thursday. The au Jibun Bank flash Japan manufacturing purchasing managers' index (PMI) declined to 49.0 in October from 49.7 in September. The index stayed below the 50.0 threshold separating growth from contraction for a fourth straight month. The subindex for new orders for the manufacturing sector shrank further in October, having stayed below the 50.0 threshold since June last year. Output contracted for a second straight month in October.

Brazil's central bank committed to lowering inflation to target, policymakers say

Oct 23 (Reuters) - Policymakers at Brazil's central bank on Wednesday stressed that they will do whatever it takes to bring inflation back down to the country's 3% target, while voicing concern about unanchored consumer price expectations. The central bank in Latin America's largest economy last month delivered a 25-basis-point increase to its benchmark interest rate, bringing it to 10.75%, and is expected to speed up the pace of tightening when its board meets in November. Brazil's monetary authority has been trying to tackle a challenging inflation outlook driven by stronger-than-expected economic activity.

Oil prices rise more than 1% amid concerns on Mideast tensions

Oct 24 (Reuters) - Oil prices climbed by more than 1% on Thursday, almost reversing previous session's losses, as Middle East tensions came back into focus ahead of the U.S. election despite a mixed bag of U.S. fuel inventories. Brent crude futures rose 95 cents, or 1.27% to \$75.91, while U.S. West Texas Intermediate crude futures climbed \$1, or 1.41%, to \$71.77 as an exchange of heavy fire between Israel and Hezbollah continued to worry markets about supply. Oil prices have gained nearly 4% so far this week, helping trim last week's losses of than 7% on worries about Chinese demand and easing concerns about potential disruptions caused by fighting in the Middle East.