



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

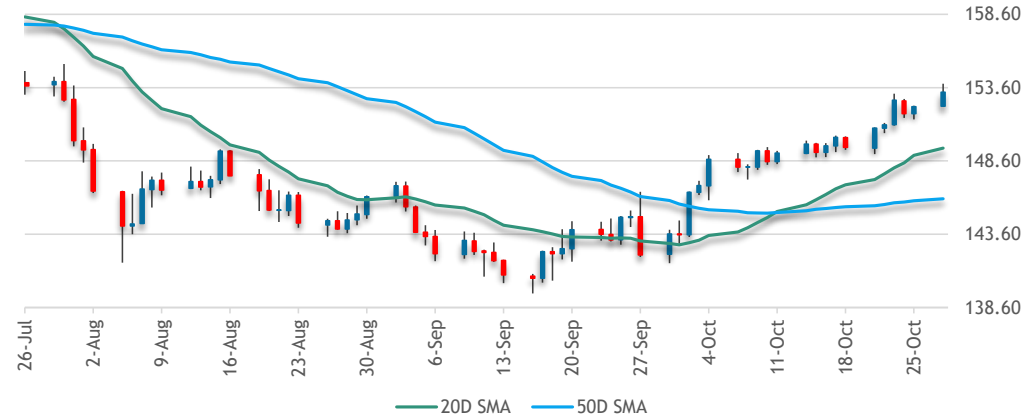
## KFH Treasury



*Report produced on*  
**Tue, 29/Oct/2024**

# Forex Market

## JAPANESE YEN



CLOSE  
**153.28**

1M %chg  
**7.80%**

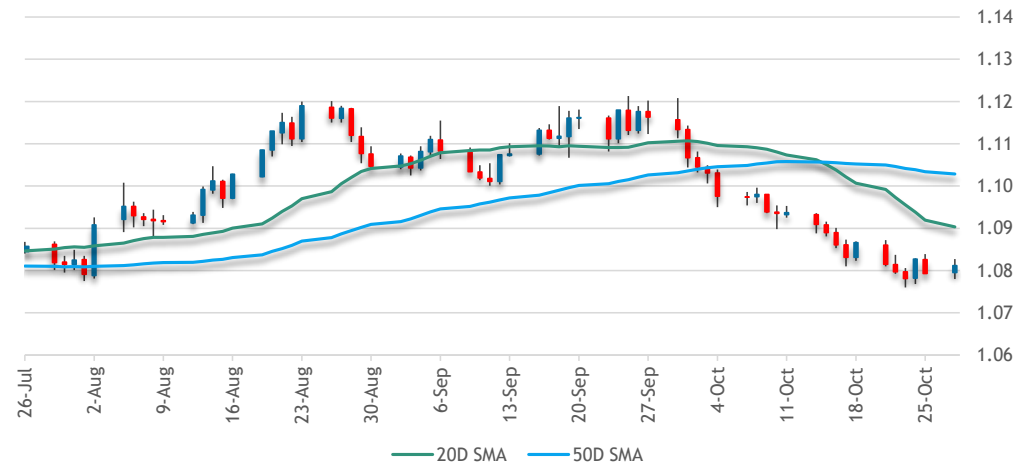
3M %chg  
**-0.29%**

### USD/JPY easy with US rates, on Kato-speak, crosses follow

29 Oct 2024 07:47:58 AM

- \* USD/JPY off a small leg in Asia, 153.35 to 152.86 EBS before steadying
- \* US yields off from overnight highs, MOF Kato verbal intervention too
- \* Comments from third opposition DPP head urging BOJ hold shrugged off
- \* USD/JPY holding above 152.66-88 hourly Ichi cloud, 100/200-HMAs below too
- \* Option expiries in area today supportive and potential cap for now
- \* Today 152.75-153.00 total \$1.2 bln, smaller 153.50 \$551 mln
- \* EUR/JPY 165.78 to 165.35, 164.93-165.08 ascending hourly Ichi cloud below

## EURO



CLOSE  
**1.0812**

1M %chg  
**-3.14%**

3M %chg  
**-0.41%**

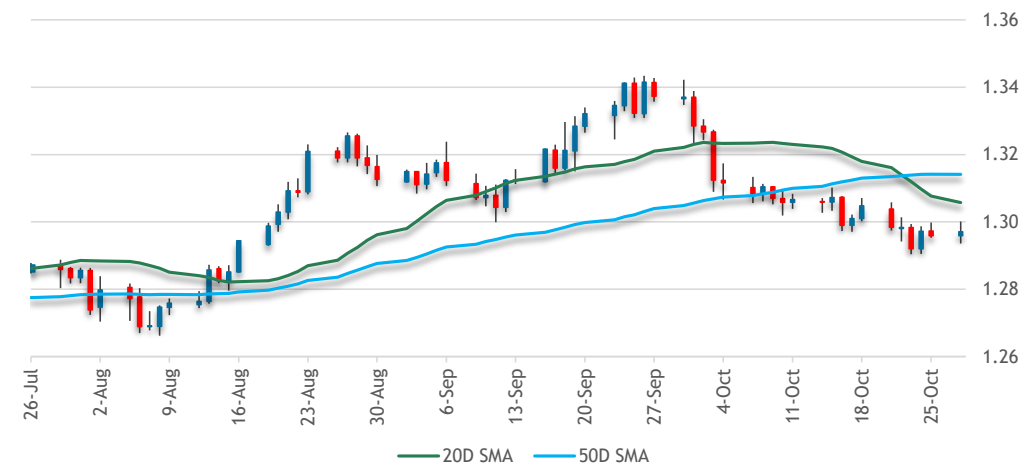
### EUR/USD-Downtrend stalled - huge 1.0800 strikes

29 Oct 2024 03:45:19 AM

- \* Steady after closing up 0.15% with the USD steady, but EUR/JPY jumped 0.85%
- \* Yield spreads widened, 10yr bund -1bp to 2.285%, 10yr UST +4bp to 4.276%
- \* Little consensus on the next ECB move - ECBWATCH prices a 25pt Dec cut 80.6%
- \* Charts - conflicting daily momentum studies, 21-day Bollinger bands contract
- \* 10 & 21-day moving averages track lower, signals show a modest bearish bias
- \* Last week's 1.0871 high, then the 1.0899 21 DMA are the first resistance
- \* 1.0783, 78.6% of the Jun/Sep rise and 1.0777 August low held, but vulnerable
- \* 1.0800 3.739 BLN are the only large close strikes for Oct 29

# Forex Market

## POUND STERLING



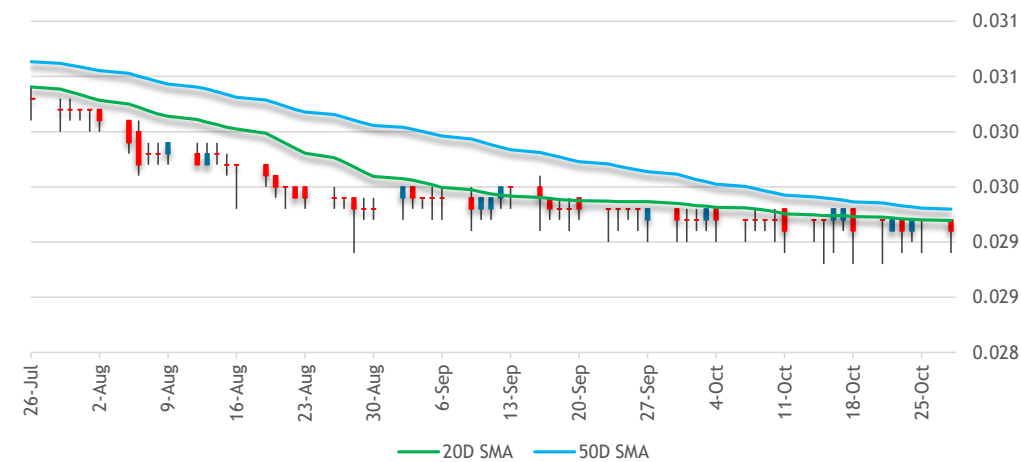
CLOSE **1.2971** 1M %chg **-3.01%** 3M %chg **0.77%**

### GBP/USD-Good news on inflation - 1.2900 remains resilient

29 Oct 2024 07:09:37 AM

- \* Steady in a 1.2965-1.2976 range with reasonable flow on LSEG FX Matching
- \* UK shop prices slide - shop price deflation fell to 0.8% in the year to Oct
- \* The British Retail Consortium believes the budget will be key for inflation
- \* All 72 economists polled expect the BoE to cut 25bp to 4.75% on Nov 7
- \* Charts - daily momentum studies conflict as 21-day Bollinger bands contract
- \* 5, 10 & 21-day moving averages fall - signals show a modest downside bias
- \* 1.2900 38.2% of Oct-Sep rise strong support - 1.2736 50% is the next level

## TURKISH LIRA



CLOSE **0.0291** 1M %chg **-0.68%** 3M %chg **-3.96%**

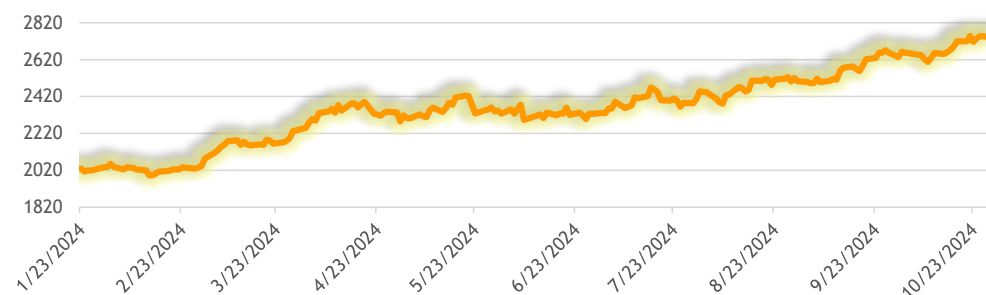
### Turkey - Factors To Watch

28 Oct 2024 08:33:08 AM

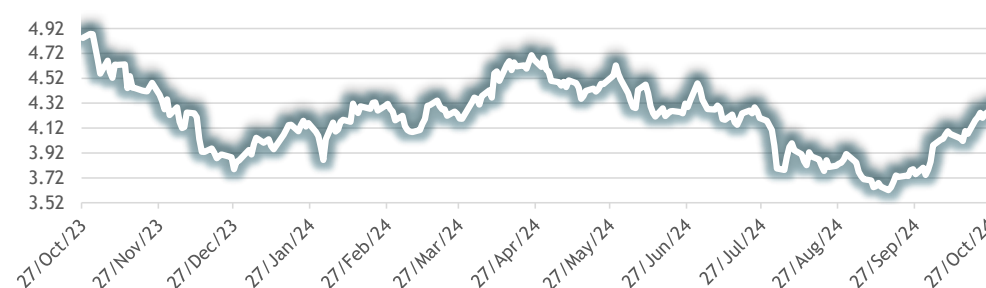
ISTANBUL, Oct 28 (Reuters) - The lira traded at 34.2995 against the U.S. dollar, unchanged from Friday's closing level. The main BIST 100 share index closed 0.40% higher at 8,908.47 points on Friday.

# Gold, US Treasury & Dollar Index

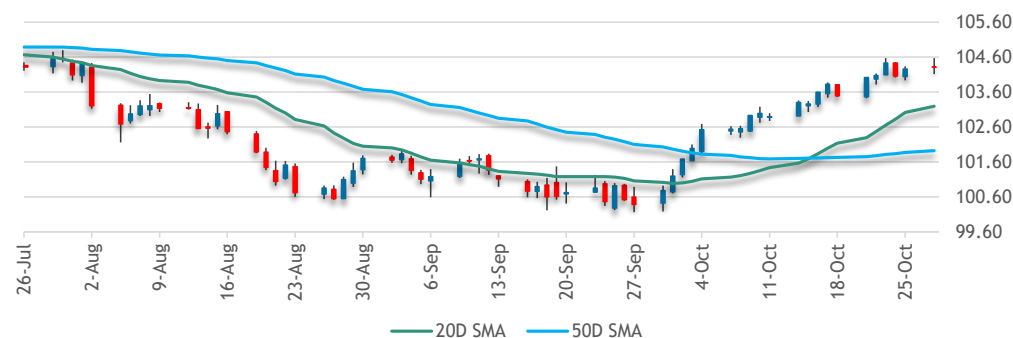
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.28**

1M %chg

**14.11%**

3M %chg

**1.86%**

### PRECIOUS-Gold prices hover near record peak on US election jitters

29 Oct 2024 06:54:36 AM

Oct 29 (Reuters) - Gold prices lingered near record highs on Tuesday, supported by uncertainty surrounding the upcoming U.S. presidential election, while investors awaited key economic data for clues on the Federal Reserve's interest rate trajectory. Spot gold was up 0.5% at \$2,755.42 per ounce. Prices hit a record high of \$2,758.37 last Wednesday. U.S. gold futures gained 0.4% to \$2,768.10.

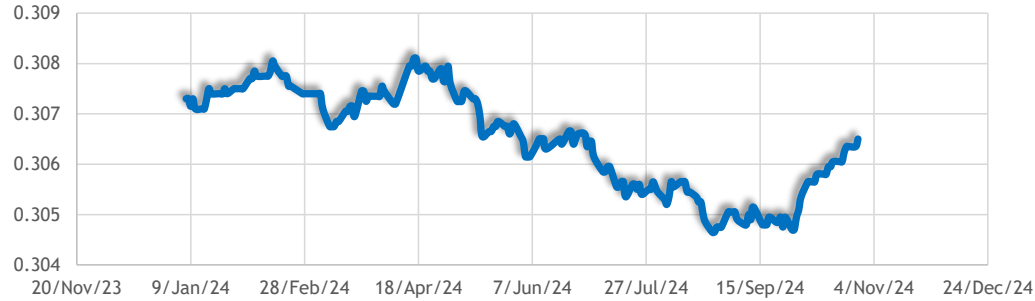
"While stronger economic data may support more patience in Fed's easing process, we may expect gold prices to stay supported, with rate expectations well-anchored around a smaller 25 basis point in November." With just eight days until the Fed's rate decision, a series of critical events is set to influence the U.S. central bank's choice. Markets are pricing in about 98% chance of a 25-basis-point rate cut by the Fed, according to CME's FedWatch Tool. Lower rates reduce the opportunity cost of holding gold. Spot silver was up 1.2% at \$34.0875 per ounce, palladium rose 1.4% to \$1,047.05, platinum added 0.8% to \$1,228.00.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
BOE Consumer Credit*	GB	29/Oct 15:00	Sep	1.295	1.300
M4 Money Supply*	GB	29/Oct 15:00	Sep	-0.1	
Mortgage Lending*	GB	29/Oct 15:00	Sep	2.861	2.800
Mortgage Approvals*	GB	29/Oct 15:00	Sep	64.858	65.000
Retail Inventories Ex-Auto Adv *	US	29/Oct 18:00	Sep	0.5	
Wholesale Inventories Adv *	US	29/Oct 18:00	Sep	0.1	
Adv Goods Trade Balance *	US	29/Oct 18:00	Sep	-94.22	
Redbook YY *	US	29/Oct 18:25	w/e	4.6	
Monthly Home Price Index*	US	29/Oct 18:30	Aug	425.2	
Monthly Home Price MM*	US	29/Oct 18:30	Aug	0.1	
Monthly Home Price YY*	US	29/Oct 18:30	Aug	4.5	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0795	1.0827	1.078	1.0812	0.18%
GBP	1.2959	1.3001	1.2936	1.2971	0.09%
JPY	152.34	153.87	152.3	153.28	0.64%
TRY	0.0292	0.0292	0.0289	0.0291	-0.34%
Dollar Idx	104.317	104.573	104.116	104.316	0.06%
Brent	72.77	73.28	71.18	71.42	-6.09%
WTC	67.64	68.5	67.22	67.65	-6.07%
Gold	2734.47	2745.83	2724.5486	2741.9771	-0.21%
KWSE Index	7107	7121.13	7080.44	7097.1	0.13%

## 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

**0.30650**

3M% CHG

**0.33%**

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	--	3M	--
SW	--	6M	--
1M	--	1Y	--
2M	--		

## 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

### Fed faces hefty data, political calendar before next policy meeting

Oct 28 (Reuters) - The nine days until Federal Reserve officials sit down to decide what to do next with interest rates features a veritable murderers' row of events to shape their move - everything from key employment and inflation data to a closely fought U.S. presidential election. Even so, it's not clear what among that mix might steer the U.S. central bank from what is seen widely as its most likely next decision: A second in a series of interest rate cuts aimed at keeping the U.S. labor market healthy and the economy out of recession as inflation cools. The Fed's initial rate cut in September brought the policy rate down by a half of a percentage point to the 4.75%-5.00% range, a decisive turn after more than two years of battling high inflation.

### UK employers show further signs of pre-budget nerves

LONDON, Oct 28 (Reuters) - British business confidence sank to a four-month low in October ahead of the first budget plan from the country's new government, a survey showed on Monday, echoing other signs of corporate nervousness about possible tax increases. Lloyds Bank's business barometer - representing the difference between the percentage of firms with positive and negative views - fell by 3 percentage points to +44%. But firms were more upbeat about their own prospects than those for the broader economy - which touched their lowest since March - and the overall index remained above its long-term average. The survey was based on responses from 1,200 British companies with annual sales of more than 250,000 pounds.

### No urgency for ECB to speed up policy easing, Wunsch says

Oct 28 (Reuters) - There is no urgency for the European Central Bank to cut interest rates quicker and it could even live with a small, temporary undershoot of its inflation target, Belgian central bank chief Pierre Wunsch said, joining colleagues in pushing back on more dovish views. ECB policymakers have expressed widely different views on prices and policy in recent days, with some worried about inflation falling below 2% and forcing the ECB to act quickly, even as others said risks were more balanced, so the bank should keep moving with extreme care. Wunsch agreed that inflation could fall back to the ECB's target by mid-2025.

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### China launches new lending tool before year-end loan expiry

BEIJING, Oct 28 (Reuters) - China's central bank launched a new lending tool on Monday to inject more liquidity into the market and support credit flow in the banking system ahead of the expiration of trillions of yuan in loans at the end of the year. The People's Bank of China said in a statement it had activated the open market outright reverse repo operations facility to "maintain a reasonable abundance of liquidity in the banking system and further enrich the central bank's policy toolbox". Some 2.9 trillion yuan (\$406.6 billion) in medium-term loans are due to mature between now and the end of December, which would make it harder for banks to finance investment and revive flagging growth in the world's second-largest economy.

### Thai exports miss forecast in September, seen rising in Q4

BANGKOK, Oct 28 (Reuters) - Thailand's exports rose for a third straight month in September but less than expected, data showed on Monday, and the commerce ministry said shipments would continue to increase in the final quarter of the year. The ministry is targeting export growth of 2% this year, with the value expected at a record high of \$290 billion, Poonpong Naiyanapakorn, head of the ministry's Trade Policy and Strategy Office, told a press conference. Exports, rose 1.1% in September from a year earlier, compared with a forecast 2.85% increase in a Reuters poll. In the first nine months of 2024, exports rose 3.9% from the same period in 2023, while imports were up 5.5%, resulting in a trade deficit of about \$6 billion for the period.

### Oil prices little changed though US reserve bid lends support

TOKYO, Oct 29 (Reuters) - Oil prices were little changed on Tuesday after falling in the previous session as a U.S. plan to buy oil for the Strategic Petroleum Reserve (SPR) provided some support though wider concerns about weaker future demand growth exerted pressure. Brent crude futures climbed 3 cents to \$71.45 a barrel, while U.S. West Texas Intermediate crude was up 7 cents at \$67.45 a barrel. Both contracts tumbled 6% on Monday to their lowest since Oct. 1. With signs that neither country seemed likely to escalate the conflict after the attack, investor concerns about flagging global oil demand growth for this year and next rose to the fore.