



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

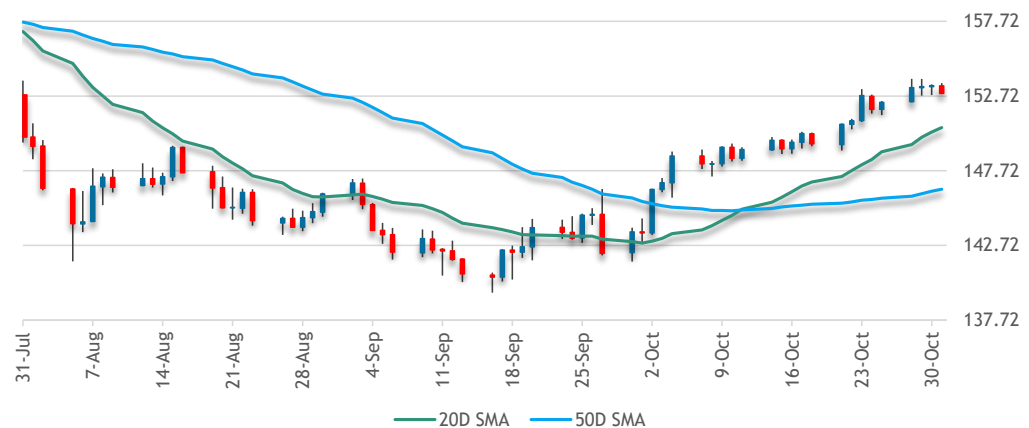
## KFH Treasury



*Report produced on*  
**Thu, 31-Oct-2024**

# Forex Market

## JAPANESE YEN



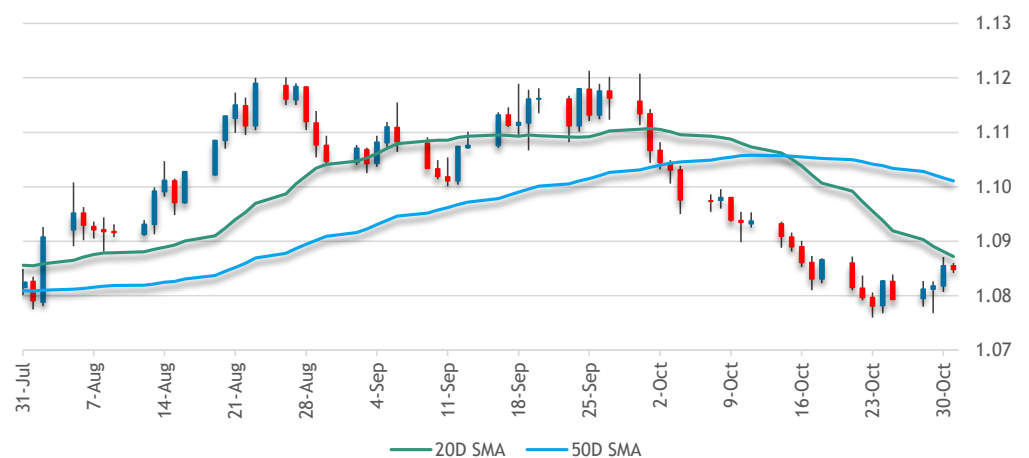
CLOSE **153.41** 1M %chg **6.82%** 3M %chg **0.43%**

### USD/JPY holding bid on Tokyo fix demand, ahead of BOJ

31 Oct 2024 06:41:31 AM

- \* USD/JPY small blip higher, 153.17 early to 153.58 EBS on Tokyo fix demand
- \* As generally expected, Japanese importer month-end demand seen
- \* Some Japanese exporter sales noted too but most in bloc bidding time
- \* Wait on for BOJ policy announcement, outlook, BOJ Gov Ueda presser
- \* JGB yields mostly easy in Asia into BOJ, 2s @0.439%, 10s @0.947%
- \* Potential for knee-jerk reactions to BOJ, market cautious
- \* Resistance from massive 153.50 option expiries today
- \* 153.14-31 hourly Ichi cloud support, 55-HMA 153.26 in cloud, 100-HMA 153.00

## EURO



CLOSE **1.0855** 1M %chg **-2.51%** 3M %chg **0.37%**

### EUR/USD down bit from overnight high, EUR crosses bid

31 Oct 2024 07:50:52 AM

- \* EUR/USD off a bit after rally to 1.0871 yesterday on strong Q3 GDP data
- \* Outlook still for weakness but data scaled back ECB rate cut expectations
- \* EUR/USD 1.0844-60 EBS in Asia, holding below 1.0869 200-DMA
- \* Support from flat 1.0839 hourly Ichi kijun, ascending 55-HMA 1.0825
- \* Massive option expiries on 1.07, 1.08 and 1.09 handles to help contain spot
- \* Especially massive between 1.0800-05, 1.0815-80, 1.0900-50
- \* Resistance from area of 55-DMA at 0.9409, daily Ichi kijun 0.9416 above
- \* Nearby option expiries today 0.9365 E550 mln, 0.9385-0.9400 E415 mln

# Forex Market

## POUND STERLING



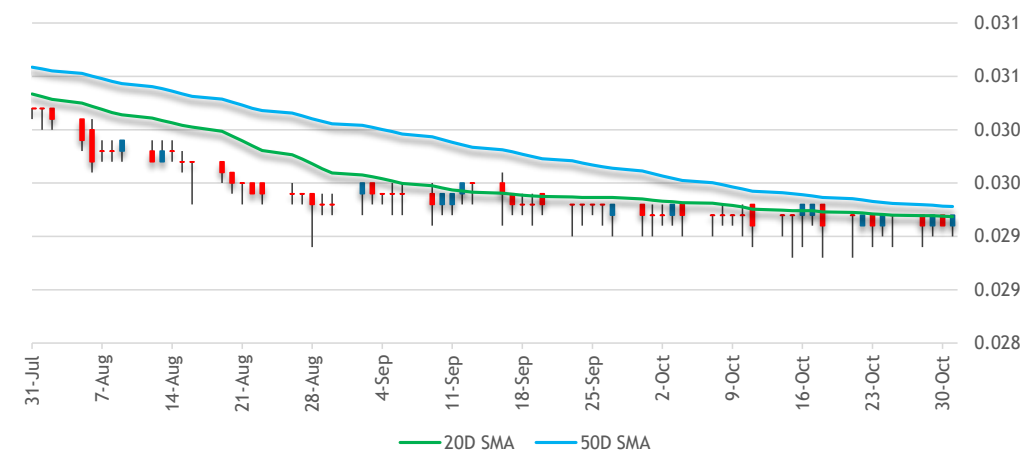
CLOSE **1.2962** 1M %chg **-3.05%** 3M %chg **1.00%**

### GBP/USD-Soft in Asia, as markets mull the budget fallout

31 Oct 2024 07:16:53 AM

- \* -0.15% with USD +0.1% as UST yields climb, e-minis fall on Megacapoutlooks
- \* Sterling trades at the base of a busy 1.2944-1.2971 range on FX Matching
- \* As the dust settles on Fin Min Reeves budget, markets mull the implications
- \* Opinions on the budget differ, but there has been no significant volatility
- \* No tier-one UK data, so US Core PCE, Chicago PMI, and weekly jobs lead
- \* Charts - neutral daily momentum studies, 21-day Bollinger bands contract
- \* 5, 10 & 21-day moving averages slip - signals show no significant bias
- \* Yesterday's 1.2936 low, then the 1.2908 Oct base are initial supports
- \* Wednesday's 1.3043 high, then the 1.3058 top last week are first resistance

## TURKISH LIRA



CLOSE **0.0291** 1M %chg **-0.34%** 3M %chg **-3.64%**

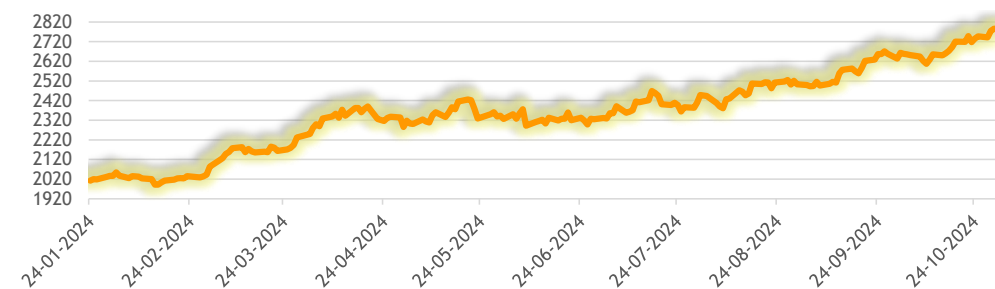
### Turkey inflation seen dipping to 48.2%, monthly rate still lofty

30 Oct 2024 04:40:53 PM

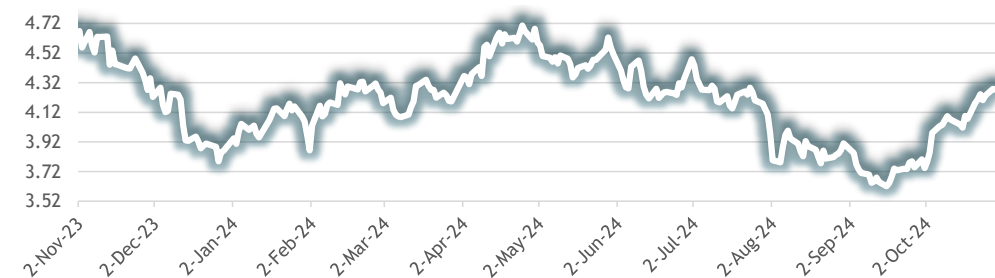
ISTANBUL, Oct 30 (Reuters) - Turkey's annual inflation rate is expected to fall slightly to near 48% in October, while the monthly figure is seen remaining lofty above 2.6% mainly due to food prices, a Reuters poll showed on Wednesday. The median estimate of 11 economists saw annual inflation falling to 48.2% in October from 49.38% in September, remaining below the central bank's policy rate of 50%. Forecasts ranged from 48.75% to 47%. Monthly inflation - which the bank is closely watching as it decides when to begin easing policy - is seen rising to 2.61% on the back of seasonal price rises in unprocessed food items. Forecasts ranged between 1.8% and 3.6%

# Gold, US Treasury & Dollar Index

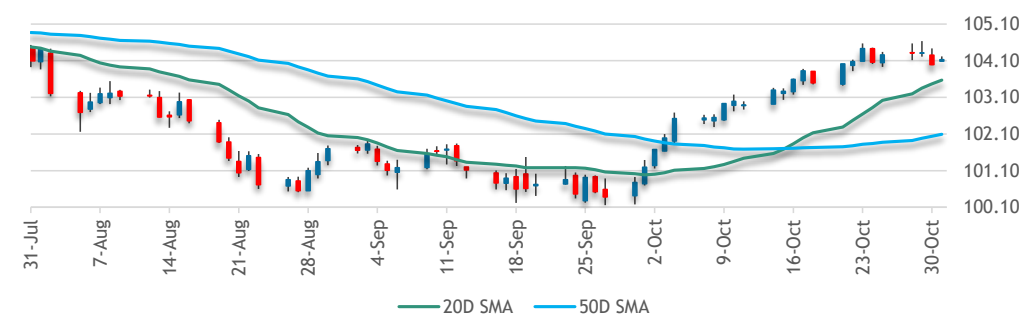
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.29**

1M %chg

**12.15%**

3M %chg

**2.97%**

### PRECIOUS-Safe-haven gold on track for best month in seven

31 Oct 2024 07:20:24 AM

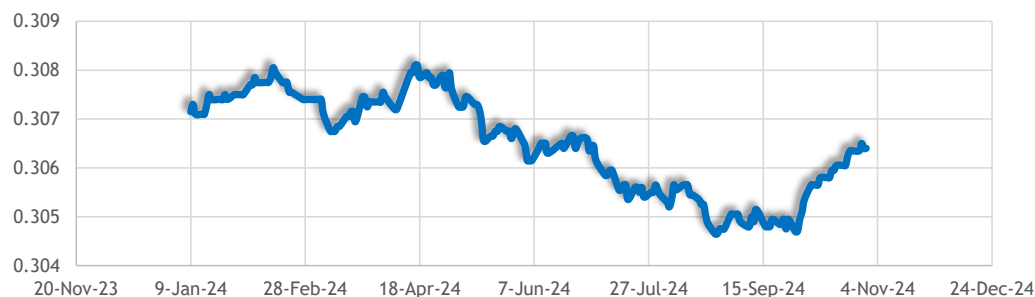
Oct 31 (Reuters) - Gold prices climbed to a record high on Thursday and were headed for their best month in seven on safe-haven demand ahead of the U.S. presidential election, while investors awaited U.S. inflation report for clues on the interest rate path. Spot gold was steady at \$2,786.89 per ounce, after hitting a record high of \$2,790.15 earlier in the session. Prices have firmed 6% for the month so far. U.S. gold futures dipped 0.1% to \$2,797.80. Bullion is considered a safe investment during economic and geopolitical uncertainties and thrives in a low interest rate environment. Spot silver XAG= fell 0.3% to \$33.68 per ounce, platinum XPD= was flat at \$1,008.68, and palladium XPT= fell 0.6% to \$1,141.00. All three metals were on track for a monthly gain. Manufacturing activity in key metals consumer China expanded in October for the first time in six months, an official factory survey showed, supporting policymakers' optimism that recent fresh stimulus will get the economy back on track.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Consumption, Adjusted MM*	US	31-Oct 18:00	Sep	0.2	0.4
Construction Orders YY*	JP	31-Oct 10:30	Sep	8.7	
Housing Starts YY*	JP	31-Oct 10:30	Sep	-5.1	-4.1
HICP-X F,E,A&T Flash YY	EU	31-Oct 15:30	Oct	2.7	2.6
HICP-X F, E, A, T Flash MM*	EU	31-Oct 15:30	Oct	0.1	
HICP Flash YY	EU	31-Oct 15:30	Oct	1.7	1.9
HICP-X F&E Flash YY	EU	31-Oct 15:30	Oct	2.7	2.6
Unemployment Rate	EU	31-Oct 15:30	Sep	6.4	6.4
Employment Benefits QQ*	US	31-Oct 18:00	Q3	1.0	
Employment Costs*	US	31-Oct 18:00	Q3	0.9	0.9
Employment Wages QQ*	US	31-Oct 18:00	Q3	0.9	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0818	1.0871	1.0807	1.0855	0.34%
GBP	1.3015	1.3043	1.2934	1.2962	-0.41%
JPY	153.35	153.49	152.78	153.41	0.04%
TRY	0.0292	0.0292	0.0291	0.0291	-0.34%
Dollar Idx	104.25	104.436	103.976	103.994	-0.31%
Brent	71.39	73.12	71.08	72.55	2.01%
WTC	68.62	69.44	68.19	68.91	2.12%
Gold	2774.56	2789.89	2770.2	2786.1897	0.40%
KWSE Index	7119.2	7128.03	7109.06	7113.4	0.19%

## 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

**0.30640**

3M% CHG

**0.25%**

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

### US consumers keep economy on solid ground ahead of election

WASHINGTON, Oct 30 (Reuters) - The U.S. economy grew solidly in the third quarter, with consumer spending increasing at its fastest pace in 1-1/2 years and inflation slowing sharply, continuing to defy forecasts of a recession and outperforming its global peers ahead of the Nov. 5 presidential election. Gross domestic product increased at a 2.8% annualized rate last quarter the Commerce Department's Bureau of Economic Analysis said. Economists polled by Reuters had forecast GDP would advance at a 3.0% pace. The pace of expansion was well above what U.S. central bank officials regard as the non-inflationary growth rate of around 1.8%.

### UK government spending to rise by 70 bln pounds over next 5 years, says OBR

LONDON, Oct 30 (Reuters) - Britain's government spending will increase by almost 70 billion billion pounds (\$91 billion) - just over 2% of economic output - over the next five years as a result of policies in its latest budget statement, the Office for Budget Responsibility said. The OBR said two thirds of the increase would go on day-to-day spending, with one third allocated to capital spending. "As a result, the size of the state is forecast to settle at 44 per cent of GDP by the end of the decade, almost 5 percentage points higher than before the pandemic," the OBR said in its Economic and Fiscal Outlook, which was published alongside the budget.

### Euro zone growth beats forecasts but outlook remains muted

FRANKFURT, Oct 30 (Reuters) - The euro zone economy grew faster than expected last quarter but threats of oversized tariffs from a potential Trump presidency along with escalating trade tensions with China are keeping the outlook muted. Gross domestic product in the 20 countries sharing the euro grew by 0.4% in the third quarter from the previous three months, beating expectations for 0.2% but still showing some weakness as industry was in recession and household consumption barely grew, Eurostat data showed on Wednesday. The biggest surprise came from Germany, the bloc's largest economy, which expanded by 0.2%.

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### China's looming fiscal package set to stabilise rather than boost growth

BEIJING, Oct 30 (Reuters) - China's planned fiscal package targets damaged property and local government balance sheets that weigh on the economy and fuel deflationary pressures, thus acting as a stabiliser rather than the instant growth booster markets craved. On Tuesday, Reuters reported that China is considering approving next week new debt issuance of more than 10 trillion yuan (\$1.4 trillion) in coming years. Some 6 trillion yuan will go chiefly towards lowering the off-books debt of municipalities, while 4 trillion will fund buybacks of idle land from cash-strapped developers and help reduce a giant inventory of unsold flats.

### Mexican economy grows more than expected in third quarter, analysts mixed on outlook

MEXICO CITY, Oct 30 (Reuters) - Mexico's economy posted better-than-expected growth in the third quarter from the previous three-month period, a preliminary estimate from national statistics agency INEGI showed on Wednesday. Latin America's second-largest economy expanded 1.0% quarter on quarter in the period, INEGI said, above the 0.8% expected by economists polled by Reuters. The growth was mainly driven by the primary sector, which comprises activities such as farming, fishing and mining and expanded 4.6% in the quarter, the statistics agency said. Secondary and tertiary activities, respectively covering manufacturing and services, grew 0.9% each on a sequential basis.

### Oil prices rise on optimism over solid US fuel demand

TOKYO, Oct 31 (Reuters) - Oil prices rose on Thursday, extending the previous day's rally, driven by optimism over U.S. fuel demand following an unexpected drop in crude and gasoline inventories, while reports that OPEC+ may delay a planned output increase offered support. Brent crude futures gained 35 cents, or 0.5%, to \$72.90 a barrel. U.S. West Texas Intermediate crude futures climbed 32 cents, or 0.5%, to \$68.93 per barrel. Both contracts rose more than 2% on Wednesday, after falling more than 6% earlier in the week on the reduced risk of wider Middle East war. Nine analysts polled by Reuters had expected an increase in gasoline and crude inventories.