



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

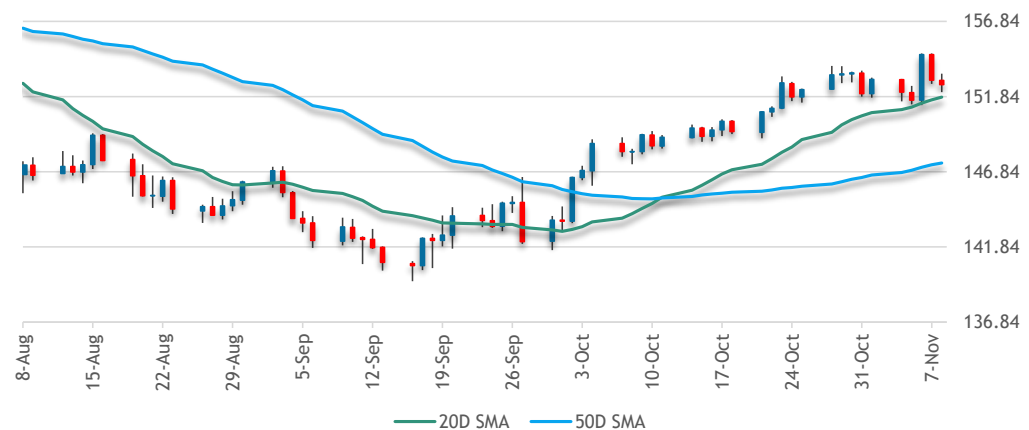
KFH Treasury



Report produced on
Sun, 10-Nov-2024

Forex Market

JAPANESE YEN



CLOSE
152.63

1M %chg
3.00%

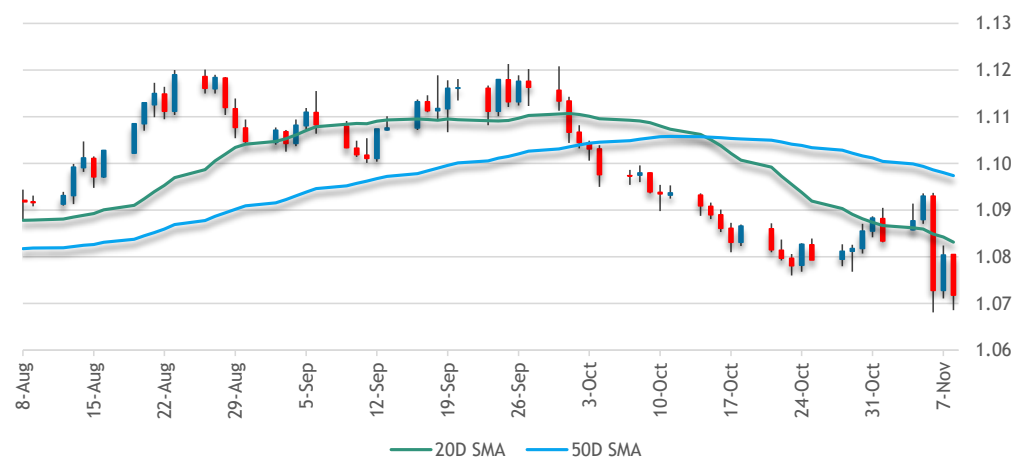
3M %chg
3.63%

COMMENT-Yen at risk of political shift over weekend

08 Nov 2024 10:10:34 PM

Japanese politicians may decide the winner of a brewing battle between USD/JPY bulls and bears. The pair is hovering above its average exchange rate over the past 200 days at 151.69. Bears currently have the upper hand after it failed to top the key 155 pivot level this past week. An unraveling of Trump trades, verbal warnings about currency volatility from Japanese authorities and talk of Japanese repatriation offers the yen a tailwind. Japanese investors sold a massive \$29.2 billion of foreign long-term bonds and \$7.7 billion of foreign shares in the week ending Nov. 2, marking the fourth consecutive weekly inflow. Yen bulls are also being inspired by the prospect that U.S.-Japanese policy rates converge in coming months as the Fed eases while the Bank of Japan hikes.

EURO



CLOSE
1.0718

1M %chg
-2.39%

3M %chg
-1.83%

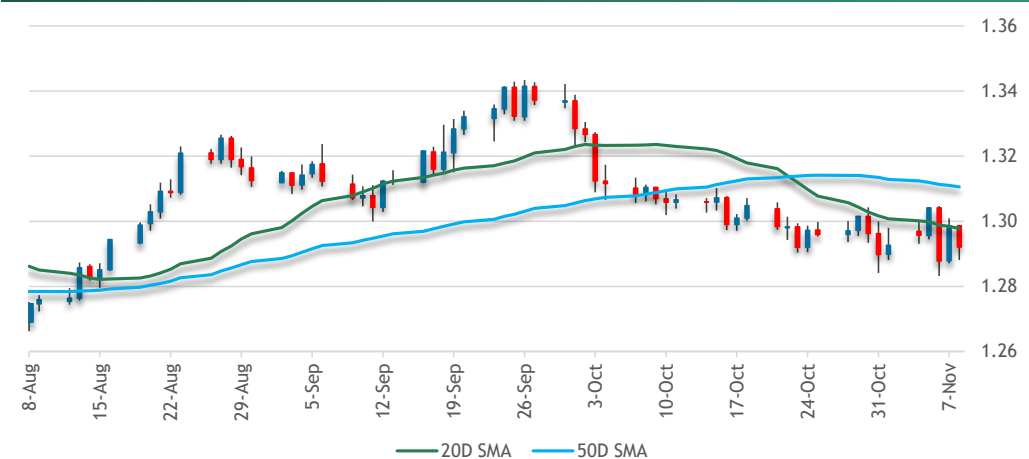
COMMENT-US economy, Fed and techs suggest EUR/USD can still go down

08 Nov 2024 08:09:56 PM

Nov 8 (Reuters) - EUR/USD fell Friday and faces an elevated probability of sliding further as the U.S. economy appears robust, Fed cuts may slow and technicals highlight downside risks. The November University of Michigan index came in at 73.0 against estimates for 71.0 and October's 70.5, which indicates consumer sentiment is rising. Those factors should keep German-U.S. spreads US2DE2=RR and Fed SRAM26 and ECB FEIZ5 terminal rate spreads in the dollar's favor. EUR/USD techs suggest downside risks remain. Falling daily and monthly RSIs imply downward momentum is in place, EUR/USD is holding below the 5-, 21- and 200-DMAs and the currency pair may be consolidating the drop from the Nov. 6 high.

Forex Market

POUND STERLING



CLOSE
1.2921

1M %chg
-1.40%

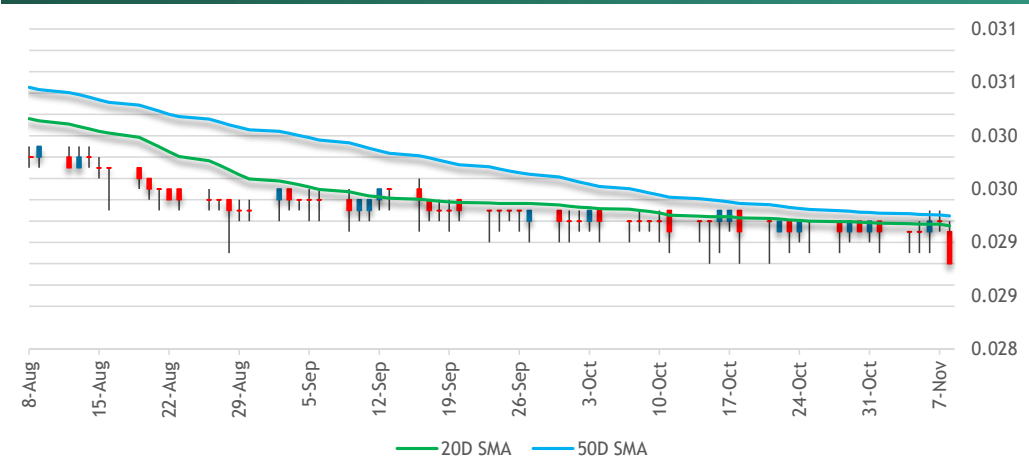
3M %chg
1.37%

Sterling dips into weekend as dovish Fed policy outlook ebbs

09 Nov 2024 10:34:42 PM

- * GBP\$ slides into NorAm close, -0.61% at 1.2906; Friday range 1.2988-1.2885
- * Front-end UST yields a touch higher after less-dovish Fed Thursday
- * STIR futures markets still calling for Dec Fed cut, albeit odds pared
- * BoE less-dovish outlook now pricing higher terminal UK rates into YE 2025
- * Sterling's wild ride tempers after election, c.bank volatility passes
- * GBP spec long still high, w/yearend approaching may start to see selling
- * GBP\$ supt 1.2901 Fri low, 1.2835 Nov 6 low, 1.2816 the 200-DMA
- * Res 1.2933 the 55-HMA, 1.2988 Friday high, 1.3009 post-election high Nov 7

TURKISH LIRA



CLOSE
0.0288

1M %chg
-1.37%

3M %chg
-3.36%

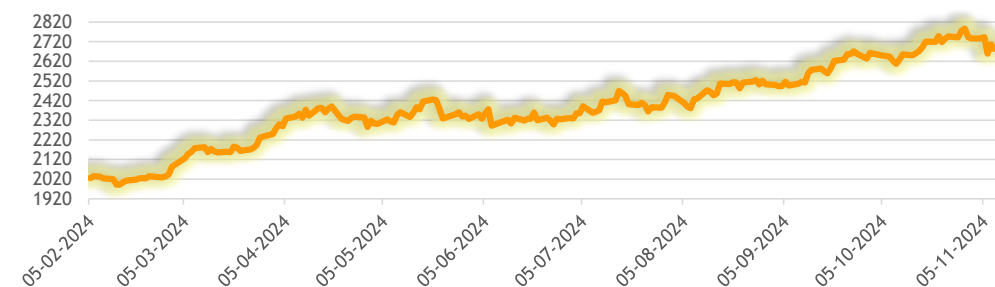
Turkey cenbank net FX reserves rise to \$61.16 bln on Nov 1

07 Nov 2024 03:36:23 PM

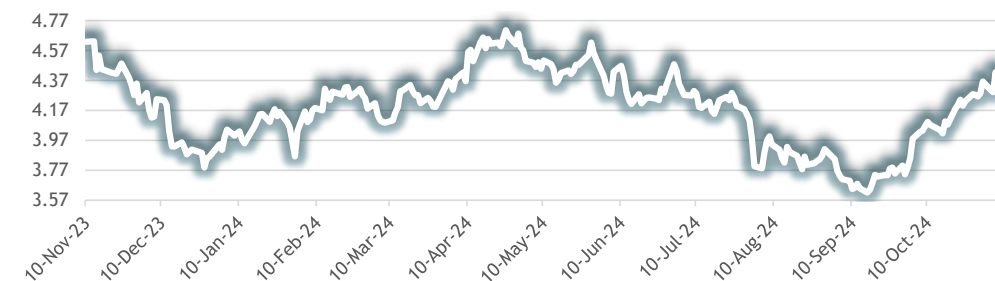
ANKARA, Nov 7 (Reuters) - The Turkish central bank's net international reserves rose to \$61.16 billion in the week to Nov 1, from \$60.89 billion a week earlier, official data showed on Thursday. Reserves have climbed in recent months to their highest levels this year from a low in June 2023 - just after national elections - when they were down to minus \$5.7 billion, their lowest since data publication began in 2002. The exchange rate used by Reuters on Thursday was 34.1787 lira to the dollar.

Gold, US Treasury & Dollar Index

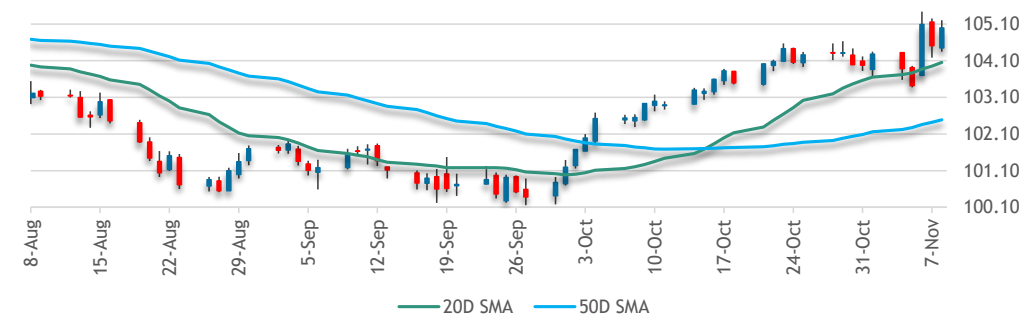
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.31

1M %chg

6.77%

3M %chg

7.78%

PRECIOUS-Gold logs biggest weekly fall in over five months on dollar strength

09 Nov 2024 10:01:00 PM

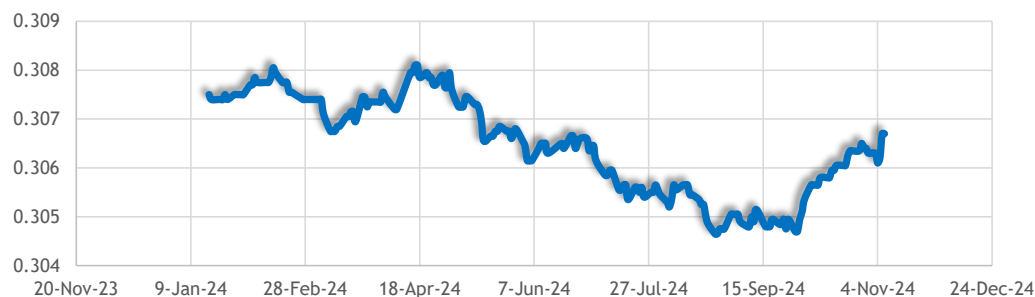
Nov 8 (Reuters) - Gold prices dropped on Friday, logging their steepest weekly decline in over five months, pressured by a stronger dollar and as markets absorbed the implications of Donald Trump's victory and its potential impact on U.S. interest rate expectations. Spot gold XAU= fell 0.8% to \$2,684.03 per ounce and posted a 1.8% weekly decline. U.S. gold futures GCv1 settled 0.4% lower at \$2,694.80. The dollar index .DXY gained 0.6%, marking a weekly gain. The Federal Reserve on Thursday cut interest rates by 25 basis points, but indicated a cautious approach to further cuts. Although bullion is reputed as a hedge against inflation, higher interest rates reduce non-yielding gold's appeal. On the physical front, gold demand in India faltered, while Japan and Singapore saw some buying. Spot silver XAG= fell 2.4% to \$31.22 per ounce, platinum XPT= fell 2.9% to \$968.04, palladium XPD= shed 3.5% to \$988.80. All three metals posted weekly declines.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Bank Lending YY	JP	10-Nov 05:20	Oct	2.7	
Bank Lending YY	JP	10-Nov 05:20	Oct	2.7	
Current Account Bal SA*	JP	10-Nov 05:20	Sep	30165	
Current Account NSA JPY	JP	10-Nov 05:20	Sep	3803.6	3262.8
Trade Bal Cust Basis SA*	JP	10-Nov 05:20	Sep	-2749.68	
Broad Money*	JP	11-Nov 05:20	Oct	2181.3	
M2 Money Supply*	JP	11-Nov 05:20	Oct	12528348	
Corp Goods Price MM	JP	12-Nov 05:20	Oct	0.0	0.0
Corp Goods Price YY	JP	12-Nov 05:20	Oct	2.8	3.0
Avg Wk Earnings 3M YY*	GB	12-Nov 12:30	Sep	3.8	3.9
Avg Earnings (Ex-Bonus)*	GB	12-Nov 12:30	Sep	4.9	4.7

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0728	1.0824	1.0711	1.0718	0.71%
GBP	1.2879	1.3009	1.2871	1.2921	-0.50%
JPY	154.63	154.71	152.69	152.63	-0.20%
TRY	0.0292	0.0293	0.0291	0.0288	-1.37%
Dollar Idx	105.155	105.252	104.187	104.997	0.47%
Brent	74.99	76.08	74.02	73.87	-2.33%
WTC	71.69	73.18	71.04	70.69	-2.75%
Gold	2659.23	2709.99	2643.3	2683.77	-0.86%
KWSE Index	7210.32	7226.88	7179.53	7183.7	-0.12%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.13	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

0.30670

0.38%

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	07-Nov-'24	4.75	4.00	0.75
ECB Refinancing Rate	17-Oct-'24	3.40	3.65	-0.25
BOE Bank Rate	07-Nov-'24	4.75	4.75	0.00
BOJ Prime Rate	08-Nov-'24	1.85	1.75	0.10
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50

KEY INTERNATIONAL STORIES

US weekly jobless claims rise marginally; unit labor costs stir inflation fears

WASHINGTON, Nov 7 (Reuters) - The number of Americans filing new applications for unemployment benefits rose slightly last week, suggesting no material change in the labor market and reinforcing views that hurricanes and strikes had resulted in job growth almost stalling in October. Economists said the strong rise in labor costs, which was accompanied by a sharp upward revision to the second-quarter data, was not compatible with inflation returning and staying at the Federal Reserve's 2% target. The U.S. central bank on Thursday cut interest rates by 25 basis points as expected, lowering its policy rate to the 4.50%-4.75% range.

UK starting pay cools again, survey shows

LONDON, Nov 8 (Reuters) - Britain's labour market showed further signs of cooling last month, according to a survey that showed the weakest wage growth since early 2021, and tax increases in last week's budget might further hit hiring. The Recruitment and Employment Confederation/KPMG said its gauge of starting pay for permanent roles slowed to 52.5 in October from 52.8 in September for its weakest level since February 2021 during the coronavirus pandemic. REC's permanent placements index fell to 44.1 from 44.9 in September and the rate of contraction was the steepest since March.

Euro zone retail sales much stronger than expected, data shows

FRANKFURT, Nov 7 (Reuters) - Euro zone retail sales grew unexpectedly quickly in September even after a large upward revision in the previous month's data, adding to the case that private consumption is finally starting to increase, figures from Eurostat showed on Thursday. Retail sales grew by 0.5% on the month based on adjusted figures, above expectations for 0.4%, even after the previous month's growth rate was lifted to 1.1% from 0.2%, Eurostat said. The healthy growth figure along with the big revision lifted the annualised increase to 2.9% in September, well ahead of expectations for 1.3% in a Reuters poll of economists.

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Japan household spending falls for second month in test for BOJ policy

TOKYO, Nov 8 (Reuters) - Japanese household spending fell in September for the second straight month, government data showed on Friday, as higher prices choked consumers' appetite in a discouraging sign for the central bank's plans to hike rates further. Consumer spending fell 1.1% from the year earlier, against the median market forecast for a 2.1% decline. On a seasonally adjusted, month-on-month basis, it fell 1.3%, versus an estimated 0.7% drop. The July-September average of consumer spending dropped 1.0% compared with the same period a year ago, the official said. Japan will release preliminary July-September gross domestic product (GDP) data next Friday.

Brazil inflation rises more than expected as further rate hikes expected

SAO PAULO, Nov 8 (Reuters) - Brazil's consumer prices rose more than expected in October, reinforcing inflationary concerns that led the country's central bank to accelerate its monetary tightening pace this week and signal further rate hikes ahead. Inflation as measured by the benchmark index IPCA rose 0.56% last month in Latin America's largest economy, above market forecasts, the government statistics agency IBGE said on Friday. Prices rose 4.76% in the 12 months through October, up from an increase of 4.42% in the previous month. The bank's rate-setting committee, known as Copom, voted unanimously to lift its benchmark Selic rate to 11.25%.

Oil settles down 2% on receding hurricane risk, lackluster China stimulus

NEW YORK, Nov 8 (Reuters) - Oil prices settled more than 2% lower on Friday as traders grew less fearful of prolonged supply disruptions from a hurricane in the U.S. Gulf of Mexico, while China's latest economic-stimulus packages failed to impress some oil traders. U.S. West Texas Intermediate futures led the decline and settled at 70.35 per barrel, down by 2.7%, or \$1.98. Global benchmark Brent crude futures fell by 2.3%, or \$1.76, to \$73.87 per barrel. Energy producers shut in more than 23% of oil output in the U.S. Gulf of Mexico by Friday to brace against Hurricane Rafael. However, the latest forecasts on trajectory and intensity reduced the risks Rafael poses to oil production.



Market data & Reuters News
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