



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

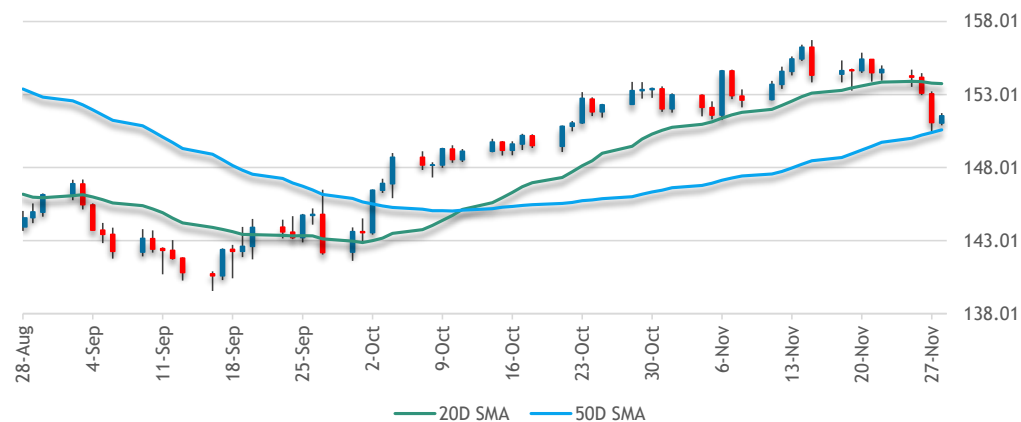
KFH Treasury



Report produced on
Thu, 28-Nov-2024

Forex Market

JAPANESE YEN



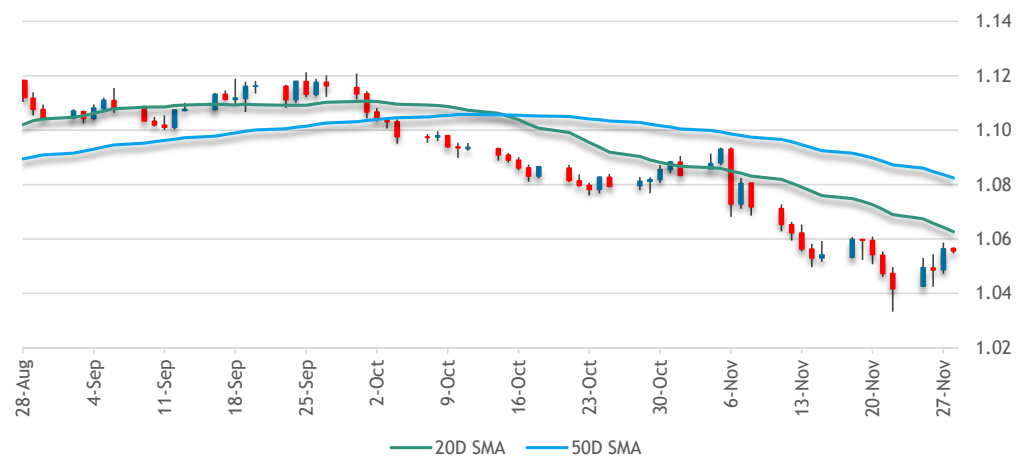
CLOSE **151.10**
 1M %chg **-0.79%**
 3M %chg **4.97%**

USD/JPY-Claws back some losses but recovery likely muted

28 Nov 2024 07:10:37 AM

- * USD/JPY up 0.2% in Asia, pares losses on profit taking after sharp drop Wed
- * Recovery likely to be limited by global trade and tariff concerns
- * Lower U.S. yields, heightened expectations of Fed Dec rate cut cap gains
- * Dec cut chances at 66% on CME Fed watch, was as low as 52 earlier this week
- * Rising expectations of BOJ December rate hike will continue to support JPY
- * Markets thin due to U.S. holiday Thu may exacerbate volatility;
- * Asia range 150.94-151.58; support 151.00, 150.50, res 151.80, 152.00, 152.50

EURO



CLOSE **1.0564**
 1M %chg **-2.12%**
 3M %chg **-5.54%**

EUR/USD on pace for best day in nearly four months

27 Nov 2024 10:36:19 PM

- * EUR/USD is on pace for its best day since Aug. 2 amid short-covering, month-end flows and lower Treasury yields
- * Euro's advance comes amid weakness in US tech shares and a jump in bitcoin
- * Solid resistance is at the 1.0601 April 16 low, last week's 1.0610 top and the 21-DMA at 1.0643
- * Nearby support is seen at the prior pivot level of 1.05
- * Data Thursday includes Nov. German CPI and Euro zone economic sentiment

Forex Market

POUND STERLING



CLOSE
1.2678

1M %chg
-2.17%

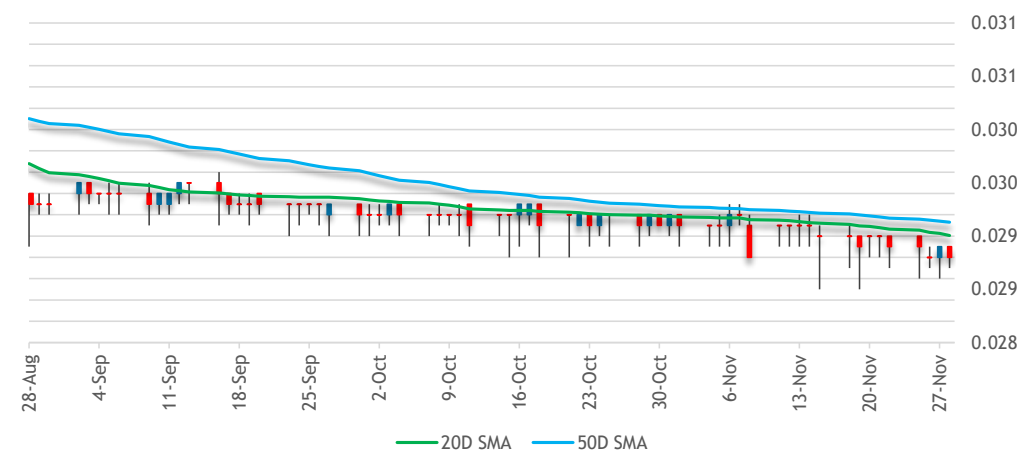
3M %chg
-4.35%

GBP/USD-Weak data but sterling holds the offshore bounce

28 Nov 2024 08:01:42 AM

- * Trades down 0.15% in a 1.2663-1.2679 range with light flow on FX Matching
- * UK car output dropped for the 8th month in October, as retooling continues
- * UK services sector sentiment fell at the fastest pace in two years - CBI
- * Weak services sentiment no surprise after the tax hikes in the UK budget
- * No tier one UK data or BoE events in London - USD, risk appetite to lead GBP
- * Charts - daily momentum studies base, 21-day Bollinger bands ease
- * Mixed 5, 10 & 21-day moving averages - the negative setup has turned neutral
- * Wednesday's 1.2569 low, then the 1.2475 Nov trend low are initial supports
- * A close above last week's 1.2713 high would be a positive signal

TURKISH LIRA



CLOSE
0.0289

1M %chg
-1.03%

3M %chg
-1.70%

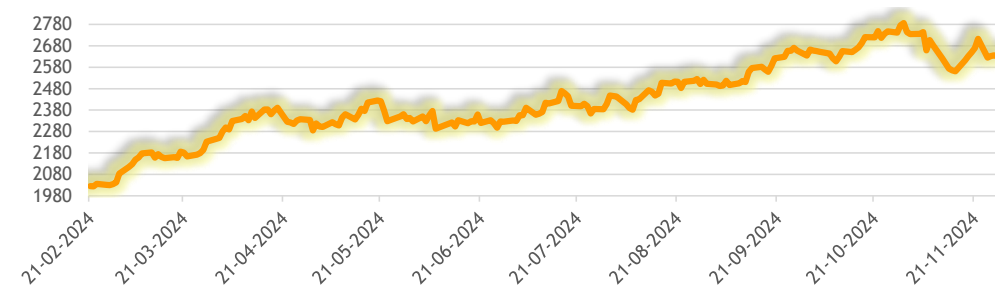
Turkish cenbank will keep tight policy to maintain disinflation, governor says

27 Nov 2024 04:58:41 PM

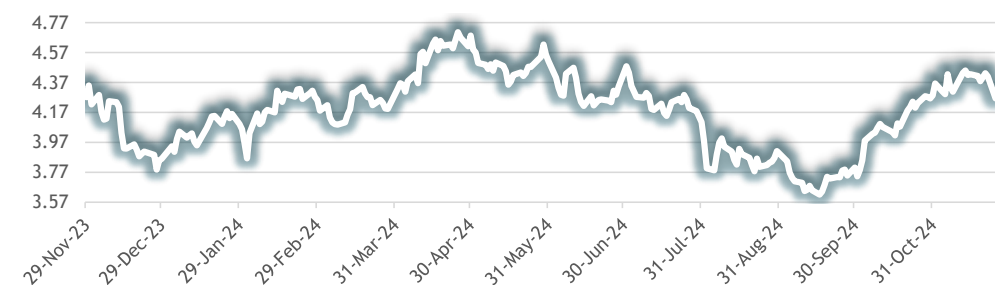
ISTANBUL, Nov 27 (Reuters) - The Turkish Central Bank will maintain its tight policy stance to sustain disinflation, Governor Fatih Karahan said on Wednesday, forecasting annual inflation at 44% at the end of this year and 21% at the end of 2025. In a speech in Istanbul, Karahan said the demand composition in growth had become more balanced and the bank expected this to continue in the third quarter growth data being released on Friday.

Gold, US Treasury & Dollar Index

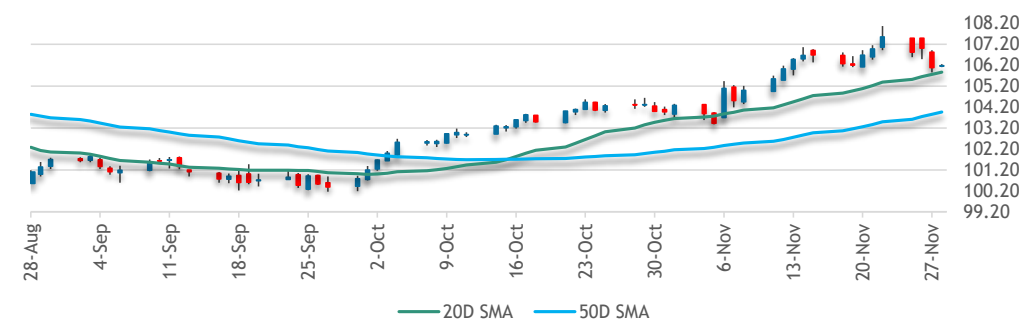
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.26

1M %chg

0.24%

3M %chg

10.67%

PRECIOUS-Gold falls on dollar strength, inflation data sparks caution on Fed rate cuts

28 Nov 2024 07:30:00 AM

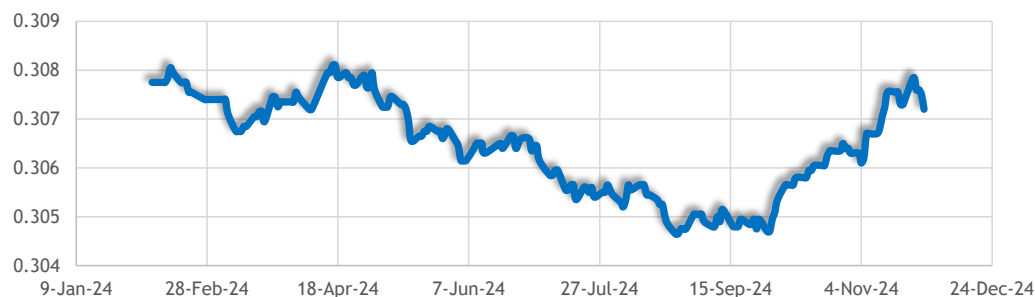
Nov 28 (Reuters) - Gold prices slipped on Thursday as the U.S. dollar strengthened, while investors assessed a flurry of economic data showing stalled inflation progress, suggesting the Federal Reserve might tread cautiously on further interest rate cuts. Spot gold XAU= fell 0.3% to \$2,627.60 per ounce. U.S. gold futures GCv1 shed 0.5% to \$2,627.00. In the short term, particularly over the next few days to two weeks, gold could come under further pressure. However, the longer-term bullish trend for gold remains intact, Wong added. Gold is regarded as a safe-haven investment during periods of economic or geopolitical instability, including trade wars. Trading is expected to be thin with U.S. markets closed on Thursday for Thanksgiving holiday. SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, said its holdings fell 0.10% to 878.55 metric tons on Wednesday. Spot silver XAG= fell nearly 1% to \$29.78 per ounce, platinum XPT= 0.1% to \$928.05 and palladium XPD= was steady at \$972.75.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
CPI Tokyo Ex fresh food YY	JP	28-Nov 05:00	Nov	1.8	2.1
CPI, Overall Tokyo	JP	28-Nov 05:00	Nov	1.8	
Jobs/Applicants Ratio*	JP	28-Nov 05:00	Oct	1.24	1.24
Unemployment Rate*	JP	28-Nov 05:00	Oct	2.4	2.5
Industrial O/P Prelim MM SA*	JP	28-Nov 05:20	Oct	1.6	3.9
IP Forecast 1 Mth Ahead	JP	28-Nov 05:20	Nov	8.3	
IP Forecast 2 Mth Ahead	JP	28-Nov 05:20	Dec	-3.7	
Large Scale Retail Sales YY*	JP	28-Nov 05:20	Oct	2	
Retail Sales YY	JP	28-Nov 05:20	Oct	0.5	2.2
Loans to Households*	EU	28-Nov 14:30	Oct	0.7	
Loans to Non-Fin*	EU	28-Nov 14:30	Oct	1.1	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0487	1.0587	1.0472	1.0564	0.74%
GBP	1.257	1.2694	1.2563	1.2678	0.88%
JPY	153.05	153.23	150.44	151.1	-1.31%
TRY	0.0288	0.0289	0.0286	0.0289	0.35%
Dollar Idx	106.824	106.924	105.856	106.084	-0.87%
Brent	72.88	73.37	72.27	72.83	0.03%
WTC	69.41	69.62	68.43	69.03	-0.03%
Gold	2632.03	2658.09	2626.89	2635.51	0.14%
KWSE Index	7255.9	7258.7	7229.72	7232.79	-0.40%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.13	3M	4.00
SW	3.50	6M	4.13
1M	3.75	1Y	4.31

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30750

3M% CHG

0.90%

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 economy holds firm in early Q4; inflation stuck above Fed's target

WASHINGTON, Nov 27 (Reuters) - U.S. consumer spending increased slightly more than expected in October, suggesting the economy retained much of its solid growth momentum early in the fourth quarter, but progress on lowering inflation appears to have stalled in recent months. The lack of success in bringing inflation back to the Federal Reserve's 2% target, together with the prospect of higher tariffs on imported goods from the incoming Trump administration, could narrow the scope for interest rate cuts from the U.S. central bank next year. Adjusted for inflation, consumer spending edged up 0.1%.

UK services sector sentiment falls at fastest pace in two years, CBI says

LONDON, Nov 28 (Reuters) - Business sentiment in Britain's services sector is falling at the fastest rate in two years, partly as a result of tax rises in finance minister Rachel Reeves' first budget on Oct. 30, the Confederation of British Industry said on Thursday. The downturn was sharpest in consumer services - where large employers will bear the brunt of a 25 billion pound rise in payroll taxes - but the mood at business and professional services companies soured too, the CBI said. Business and professional services firms said their profitability had fallen by the most since August 2020 and all types of services firm said they would invest less.

ECB rate stimulus no magic wand for structural faults, Schnabel argues

FRANKFURT, Nov 27 (Reuters) - The ECB should cut interest rates only gradually and not lower them to a level that stimulates growth since that would not resolve the economy's deep structural faults, ECB board member Isabel Schnabel told Bloomberg. The ECB is expected by investors to cut interest rates at every one of its upcoming meetings at least through next June and the 3.25% deposit rate is now expected to end 2025 at 1.75%, a level low enough - in the view of many economists - to start stimulating growth. Some policymakers have called for faster rate cuts and possible stimulus because inflation is falling more quickly than predicted.

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Japan seen reaping record tax revenue in fiscal 2024, sources say

TOKYO, Nov 28 (Reuters) - Japan's tax revenues are likely to hit a record high for a fifth straight year in the current fiscal year ending in March 2025, four government sources told Reuters. The government will tap additional revenues to fund part of 13.9 trillion yen spending package aimed at cushioning the blow to households from rising living costs. It will also issue new government debt exceeding 6 trillion yen, the sources said, declining to be identified because the information is not public. Total nominal tax revenues for the current fiscal year, initially estimated at 69.6 trillion yen, will likely increase to around 73.4 trillion yen due to robust corporate profits and rising inflation, they added.

Brazil proposes income tax reform, frustrating investors focused on spending cuts

BRASILIA, Nov 27 (Reuters) - Brazil's government on Wednesday proposed to expand income tax exemptions for lower-income Brazilians and increase taxes on those who earn more, while outlining plans to trim public spending in coming years. Brazilian markets sank ahead of the televised announcement by Finance Minister Fernando Haddad, on reports that the government was introducing the income tax reform instead of focusing exclusively on the long-awaited spending cuts. Haddad also outlined the key elements of a much-anticipated spending cut package, which are expected to generate savings of 70 billion reais (\$11.8 billion) over the next two years.

Oil slips on buildup in US gasoline stocks; eyes on weekend OPEC+ meeting

SINGAPORE, Nov 28 (Reuters) - Oil prices drifted lower on Thursday after a surprise jump in U.S. gasoline inventories, with investors focusing on the OPEC+ meeting this weekend to discuss oil output policy. Brent crude futures LCOc1 fell by 14 cents, or 0.2%, to \$72.69 per barrel, while U.S. West Texas Intermediate crude futures CLc1 were also down 14 cents, or 0.2%, at \$68.58 a barrel. U.S. gasoline stocks rose 3.3 million barrels in the week ended on Nov. 22, the U.S. Energy Information Administration (EIA) said on Wednesday, countering expectations for a small draw in fuel stocks ahead of record holiday travel. Brent and WTI have lost more than 3% each so far this week.



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