



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

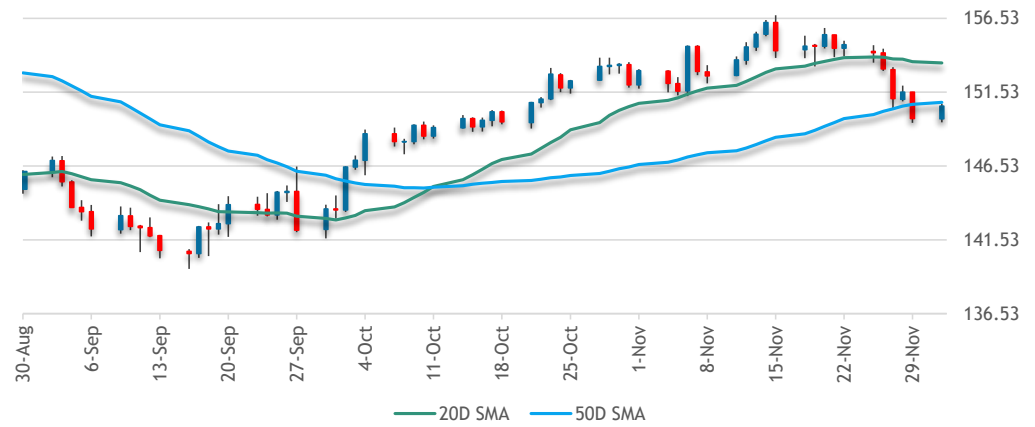
KFH Treasury



Report produced on
Mon, 02-Dec-2024

Forex Market

JAPANESE YEN



CLOSE
149.75

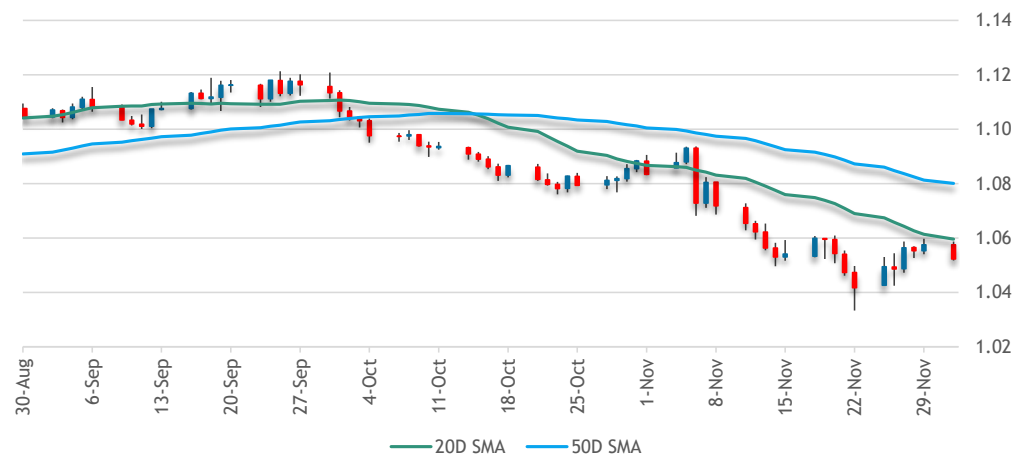
1M %chg
-2.35%

3M %chg
3.29%

USD/JPY, JPY crosses see some bounce but still heavy
02 Dec 2024 07:41:27 AM

- * USD/JPY, JPY crosses bounce some from Friday lows but still heavy
- * USD/JPY 149.52 early to 150.73 EBS, tracks away from 149.47 low Friday
- * Japanese importers good buyers alongside spec shorts booking profits
- * Upside limited to area of 150.70 55-HMA, hourly Ichi cloud 150.75-151.25
- * Spec/exporter sales from @151.00? Descending 100-HMA 151.51 above cloud
- * Only large nearby option expiries today \$705 mln at 150.50 strike
- * Firm JGB rates/softer US ylds suggest rate differentials still narrowing
- * Japan Q3 CAPEX strong, helps case for BOJ Dec hike though mfg PMI sub-50

EURO



CLOSE
1.0575

1M %chg
-2.25%

3M %chg
-4.53%

EUR/USD-Heavy as French politics, German strikes weigh
02 Dec 2024 06:59:04 AM

- * Trades -0.45% near the base of a 1.0520-1.0586 EBS range with the USD +0.4%
- * Volkswagen workers to go on warning strikes across Germany also capped EUR
- * Charts - positive daily momentum studies as 21-day Bollinger bands contract
- * 5, 10 & 21-day moving averages coil - the Oct/Nov downtrend has stalled
- * 1.0610 recent range top and the 21-DMA are key resistance - should hold
- * A close above 1.0610 would be a positive signal, with a tight stop
- * Last week's 1.0425 base and the November 1.0331 low are initial supports
- * 1.0550 827 mln and 1.06 847 mln close major strikes for December 2nd

Forex Market

POUND STERLING



CLOSE
1.2737

1M %chg
-2.14%

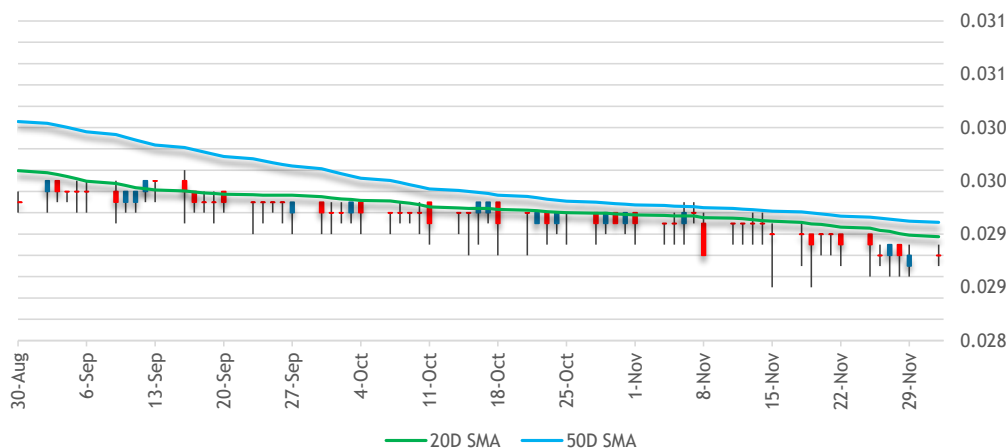
3M %chg
-3.27%

GBP/USD-Off on a Euro-led USD bounce - PMs policy targets key

02 Dec 2024 06:42:54 AM

- * Off 0.45% at the base of a 1.2683/1.2745 range moderate FX Matching flow
- * Sterling slid with EUR at the Asian open amid French political turmoil
- * UK PM Starmer to set out detailed policy targets in the week ahead
- * PM will announce a "plan for change" - key for sterling after the budget
- * There is no tier one UK data or BoE events - risk and the USD lead GBP
- * Charts - positive daily momentum studies, 21-day Bollinger bands contract
- * 5, 10 & 21-day moving averages coil - bearish signals have turned neutral
- * Wednesday's 1.2569 low, then the 1.2475 Nov trend low are initial supports

TURKISH LIRA



CLOSE
0.0288

1M %chg
-1.37%

3M %chg
-1.71%

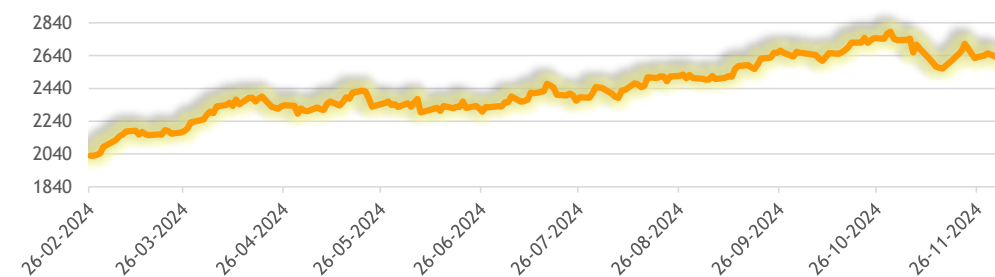
Turkish economy grew 2.1% in Q3, less than expected, as policy weighs

29 Nov 2024 02:49:32 AM

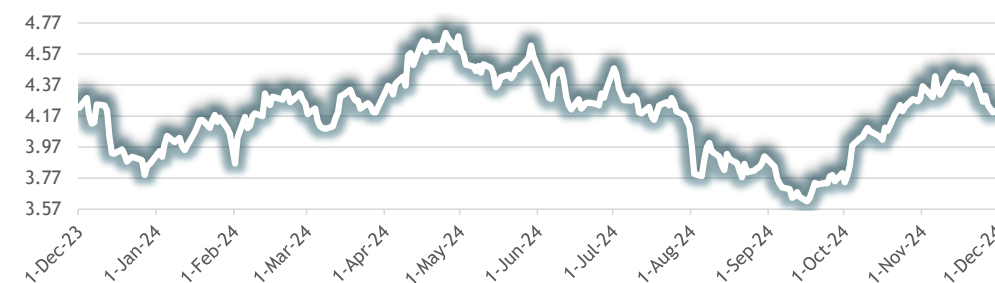
ISTANBUL, Nov 29 (Reuters) - Turkey's economy grew at a less than expected 2.1% in the third quarter as demand ebbed - especially in the services sector - under the weight of high interest rates, data showed on Friday. Third-quarter gross domestic product (GDP) dipped by 0.2% from the previous quarter on a seasonally and calendar-adjusted basis, Turkish Statistical Institute (TUIK) data showed, marking a second straight dip and a technical recession in Turkey. The major emerging market economy has cooled in the face of a monetary tightening campaign that began in June 2023, with the central bank having hiked rates to 50% from 8.5% in order to rein in inflation, which exceeded 48% last month.

Gold, US Treasury & Dollar Index

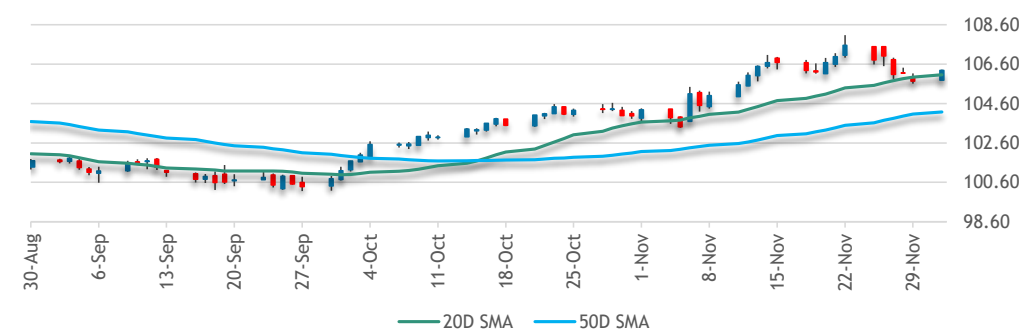
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.22

1M %chg

-1.87%

3M %chg

8.46%

PRECIOUS-Gold falls on firmer US dollar, profit-taking; key US data in focus

02 Dec 2024 07:49:46 AM

Dec 2 (Reuters) - Gold prices snapped a four-session rally to fall, pressured by a firmer U.S. dollar and profit-taking, while investors awaited key U.S. economic data for cues on the Federal Reserve's monetary policy outlook. Spot gold fell 0.7% to \$2,636.38 per ounce. U.S. gold futures edged 0.8% lower to \$2,658.80. The dollar index gained 0.5%, making bullion costlier for holders of other currency. Major U.S. data due this week includes U.S. job openings, the ADP employment report and the payrolls report. Few Fed officials are due to speak this week, including Fed Chair Jerome Powell on Wednesday. Gold prices slipped over 3% in November to register its worst monthly performance since September 2023 as the prospect of higher tariffs under the incoming Donald Trump administration to keep interest rates higher for longer loomed. Among other metals, spot silver shed 0.7% to \$30.39 per ounce, platinum fell 0.2% to \$944.20 and palladium dropped 0.3% to \$975.44.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Monetary Base YY*	JP	02-Dec 05:20	Nov	-0.04	
JibunBK Mfg PMI Final SA	JP	02-Dec 06:00	Nov	49.0	
Nationwide house price yy*	GB	02-Dec 12:30	Nov	2.4	2.4
Nationwide house price mm*	GB	02-Dec 12:30	Nov	0.1	0.2
HCOB Mfg Final PMI	EU	02-Dec 14:30	Nov	45.2	45.2
S&P GLOBAL MANUFACTURING PMI	GB	02-Dec 15:00	Nov	48.6	48.6
Unemployment Rate	EU	02-Dec 15:30	Oct	6.3	6.3
BRC Retail Sales YY	GB	03-Dec 05:31	Nov	0.3	
Redbook YY *	US	03-Dec 19:25	w/e	4.9	
Foreign Bond Investment	JP	04-Dec 05:20	w/e	-773.7	
Foreign Invest JP Bonds*	JP	04-Dec 05:20	w/e	-300.7	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0553	1.0597	1.054	1.0575	0.21%
GBP	1.2683	1.2749	1.2669	1.2737	0.39%
JPY	151.54	151.55	149.46	149.75	-1.18%
TRY	0.0287	0.0289	0.0286	0.0288	0.00%
Dollar Idx	105.948	106.128	105.615	105.737	-0.38%
Brent	73.11	73.47	72.56	72.94	-0.46%
WTC	69.46	69.94	68.21	68.26	-1.12%
Gold	2641.12	2666.12	2633.99	2653.5459	0.48%
KWSE Index	7234.07	7251.2	7222.57	7245.99	0.18%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.13	3M	3.94
SW	3.50	6M	4.13
1M	3.69	1Y	4.31

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30720

3M% CHG

0.80%

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. Adjusted for inflation, consumer spending edged up 0.1%, consistent with a roughly 2.5% annualized growth rate this quarter. Spending rose at a 3.5% rate in the July-September quarter, accounting for the economy's 2.8% growth pace. Services spending rose 0.5%. Income rose 0.6%, boosted by a 0.5% gain in wages.

UK house prices became slightly more affordable in 2024, Halifax says

LONDON, Nov 28 (Reuters) - Buying a new home in Britain became a little more affordable this year as average wages rose faster than house prices and mortgage costs, the country's largest mortgage lender said. "While homes are becoming more affordable, the progress has been gradual," Halifax's head of mortgages, Amanda Bryden, said. The Bank of England raised interest rates to a 15-year high of 5.25% in August 2023 and started to cut them in August this year followed by a further reduction to 4.75% this month. Economists polled last week expected the BoE to cut rates to 3.75% by the end of next year.

Euro zone inflation edges up; 'underlying' price growth steady

FRANKFURT, Nov 29 (Reuters) - Euro zone inflation accelerated in November and its most closely watched components remained high, data showed, adding to the case for a more cautious European Central Bank interest rate cut next month. Consumer price inflation in the 20 countries sharing the euro stood at 2.3% in November, according to the data from Eurostat. That was higher than 2.0% a month earlier and the ECB's 2% target but in line with expectations. Underlying inflation, the ECB's prime focus when setting interest rates, meanwhile held steady at 2.7%, as the small slowdown in services costs was offset by higher goods inflation.

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China Nov factory activity expands for second month as Trump threats loom

BEIJING, Nov 30 (Reuters) - China's factory activity expanded modestly for a second straight month in November, an official survey showed, adding to a string of recent data suggesting a blitz of stimulus is finally trickling through the world's second-largest economy just as Donald Trump ramps up his trade threats. The National Bureau of Statistics purchasing managers' index (PMI) on Saturday rose to 50.3 - a seven-month high - from 50.1 in October, above the 50-mark separating growth from contraction and beating a median forecast of 50.2 in a Reuters poll. The central economic working conference in December may shed some light on the policy outlook, he added.

Thai c.bank says economy improved in October, rate cut is not start of easing cycle

BANGKOK, Nov 29 (Reuters) - Thailand's economy improved in October due to tourism, exports and private consumption, which was helped by government stimulus measures, the central bank said on Friday as it reiterated last month's rate cut was not the start of an easing cycle. Exports, a key driver of the economy, rose 14.2% in October from a year earlier, while imports rose 17.1%, resulting in a trade surplus of \$1.4 billion, the Bank of Thailand (BOT) said. Private consumption increased 0.8% in October from September and private investment rose 4.5%, the central bank said, adding that government spending also rose sharply.

Oil rises on upbeat China data, shaky Israel-Lebanon ceasefire

SINGAPORE, Dec 2 (Reuters) - Oil prices rose on Monday, supported by upbeat factory activity in China, the world's second largest oil consumer, and as Israel resumed attacks on Lebanon despite a ceasefire pact, stoking tension in the Middle East. Brent crude futures LCOc1 climbed 34 cents, or 0.47%, to \$72.18 a barrel while U.S. West Texas Intermediate crude CLc1 was at \$68.32 a barrel, up 32 cents, or 0.47%. Last week, both benchmarks suffered a weekly decline of more than 3%, on easing concerns over supply risks from the Israel-Hezbollah conflict and forecasts of surplus supply in 2025, even as OPEC+ is expected to extend output cuts.