



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

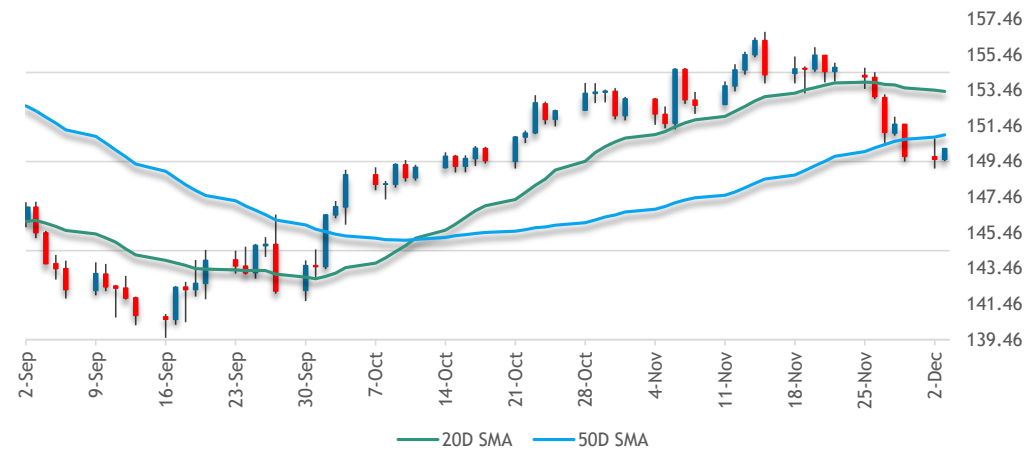
## KFH Treasury



*Report produced on*  
**Tue, 03-Dec-2024**

# Forex Market

## JAPANESE YEN



CLOSE  
**149.59**

1M %chg  
**-2.22%**

3M %chg  
**1.83%**

### USD/JPY falls into its daily cloud as yields ease

02 Dec 2024 09:16:32 PM

\* USD/JPY falls below its cloud top at 149.56 amid lower Treasury 10-year yields and cross-related sales

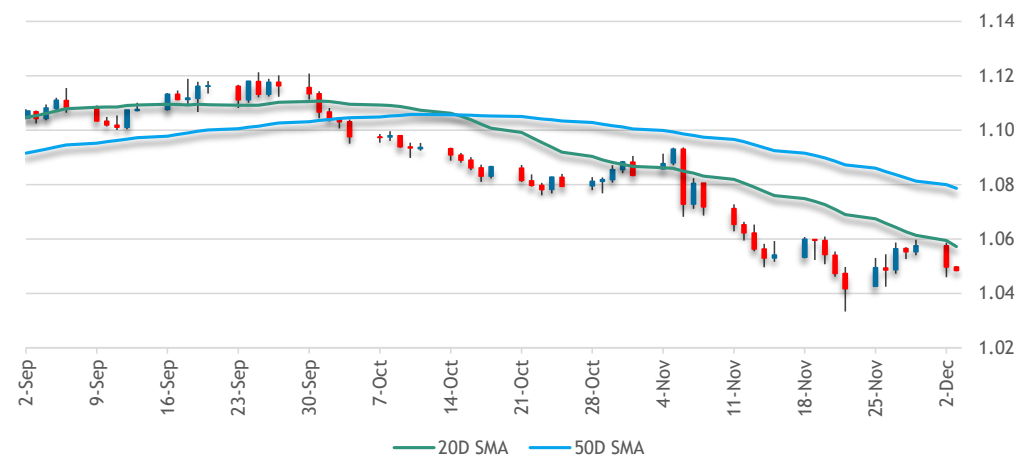
\* Pair eyes its 149.05 100-DMA just beneath its 149.08 EBS session low

\* Cloud top acts as nearby resistance ahead of the 150.00 and 150.75 session high

\* Weekly cloud bottom of 148.75 is support below the 100-DMA

\* Several yen crosses are down over 1% amid haven-linked yen buying

## EURO



CLOSE  
**1.0497**

1M %chg  
**-3.11%**

3M %chg  
**-5.18%**

### EUR/USD-Offered with good news a scarce commodity for EUR

03 Dec 2024 06:52:03 AM

\* Off 0.1% at the base of a 1.0484-1.0501 range, French politics caps

\* Weak Eurozone PMIs and German strikes weigh on EUR sentiment

\* There is no tier-one EZ data today, so events in France and the USD lead

\* Charts - neutral daily momentum studies as 21-day Bollinger bands contract

\* 5, 10 & 21-DMA's crest, weekly moving averages fall - a bearish setup

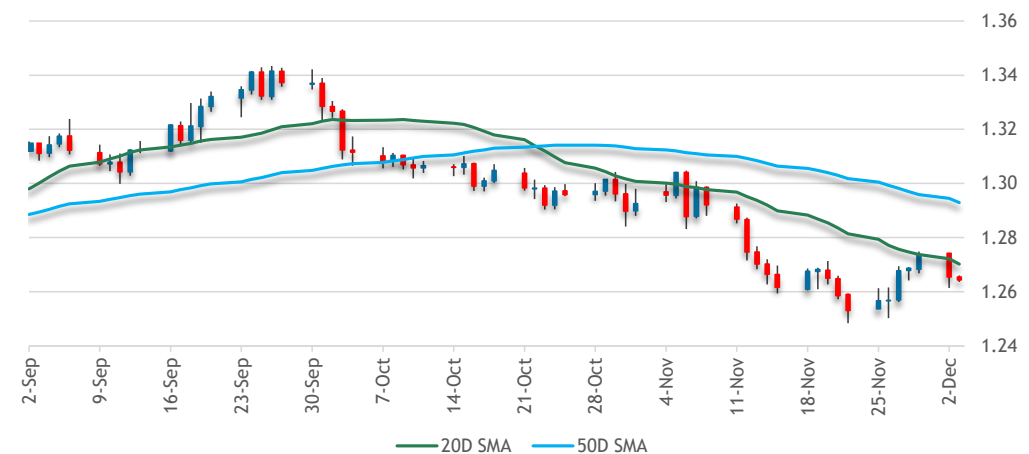
\* 1.0590 21 DMA and 1.0610 recent range top are key resistance - should hold

\* Last week's 1.0425 base and the November 1.0331 low are initial supports

\* 1.0470 726 mln and 1.0500 1.443BLN close major strikes for December 3rd

# Forex Market

## POUND STERLING



CLOSE 1M %chg 3M %chg

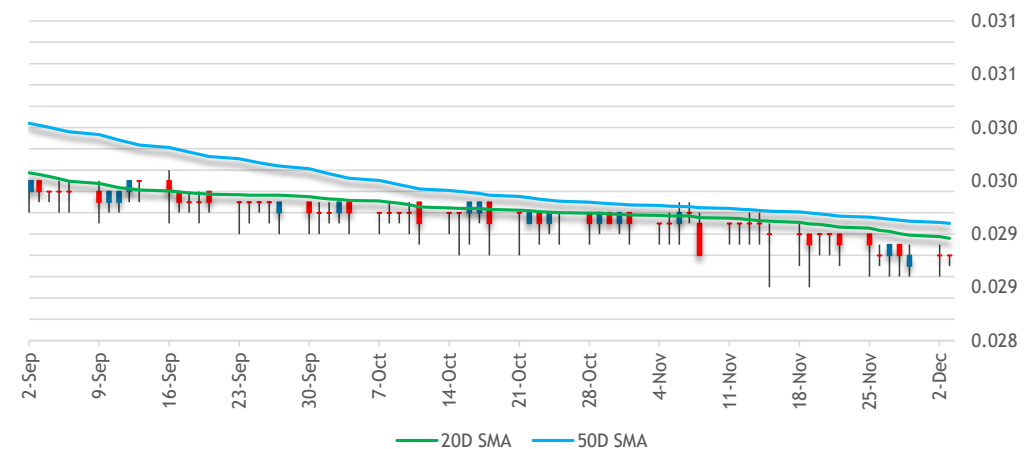
**1.2655** **-2.10%** **-3.76%**

### GBP/USD-Eases - soft retail sales - BoE Bailey interview

03 Dec 2024 06:47:20 AM

- \* Off 0.1% in a tight 1.2642-1.2660 range - quiet after early FX Matching flow
- \* UK retailers report weak November sales - Black Friday counted in December
- \* BOE Governor Andrew Bailey gives a pre-recorded interview at an FT event
- \* There is no other significant UK data today, so risk and the USD lead GBP
- \* Charts - positive daily momentum studies, 21-day Bollinger bands contract
- \* 5, 10 & 21-day moving averages coil - signals display a neutral setup
- \* Last Wednesday's 1.2569 low, then the 1.2475 Nov trend low initial supports
- \* Well tested 1.2720 21 DMA then 1.2841, 0.382% Sep/Nov fall first resistance

## TURKISH LIRA



CLOSE 1M %chg 3M %chg

**0.0288** **-1.03%** **-2.37%**

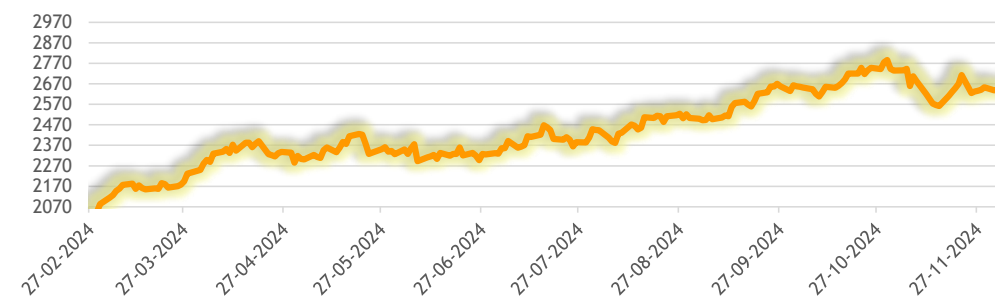
### Tuesday's Turkish CPI key to start of CBRT easing cycle

02 Dec 2024 03:08:10 PM

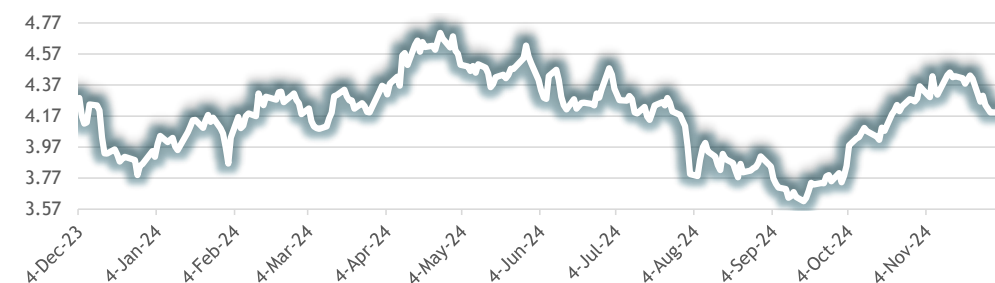
- \* Turkish CPI data is due at 07.00 London time on Tuesday December 3
- \* Month-on-month reading for Nov expected at 1.91% versus 2.88% in Oct
- \* Year-on-Year expected 46.6% in a Reuters poll, would be a new 18-month low
- \* CBRT close to beginning rate cutting cycle, falling CPI will be key to size
- \* Next CBRT policy decision due December 26, expectations for 2% to 2.25% cut
- \* State banks continue to limit USD/TRY high to 34.7250 on Monday

# Gold, US Treasury & Dollar Index

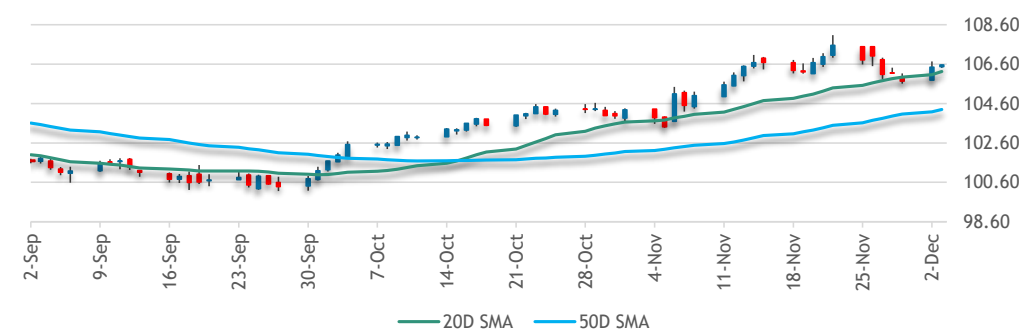
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.19**

1M %chg

**-3.87%**

3M %chg

**7.24%**

### PRECIOUS-Gold holds steady, investors eye key US jobs data

03 Dec 2024 06:47:39 AM

Dec 3 (Reuters) - Gold prices were steady on Tuesday as investors took a cautious stance ahead of the upcoming U.S. economic data that could provide insights into the Federal Reserve's interest rate path. Spot gold XAU= was nearly unchanged at \$2,636.50 per ounce, after falling as much as 1% on Monday. U.S. gold futures GCv1 was flat at \$2,659.00. The dollar .DXY drifted higher, making greenback-priced bullion more expensive for overseas buyers. Key U.S. data this week includes the job openings due later in the day, the ADP employment report on Wednesday, and the payrolls report on Friday. On Monday, Fed Governor Christopher Waller said with inflation still forecast to fall to 2% he is inclined "at present" to support another rate cut later this month. Gold tends to thrive in a low-interest-rate environment and during periods of geopolitical turmoil. Elsewhere, spot silver XAG= added 0.1% to \$30.51 per ounce, platinum XPT= dropped 0.3% to \$944.35 and palladium XPD= shed 0.2% to \$979.72.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
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	
Foreign Stock Investment*	JP	04-Dec 05:20	w/e	-318.1	
Foreign Invest JP Stock	JP	04-Dec 05:20	w/e	-446.0	
JibunBK Comp Op Final SA	JP	04-Dec 06:00	Nov	49.8	
JibunBK SVC PMI Final SA *	JP	04-Dec 06:00	Nov	50.2	
HCOB - Composite Final PMI	EU	04-Dec 14:30	Nov	48.1	48.1
HCOB Services Final PMI	EU	04-Dec 14:30	Nov	49.2	49.2
S&P GLOBAL PMI: COMPOSITE - OUTP	GB	04-Dec 15:00	Nov	49.9	49.9

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0575	1.0587	1.0459	1.0497	-0.74%
GBP	1.2742	1.2742	1.2614	1.2655	-0.64%
JPY	149.73	150.74	149.06	149.59	-0.11%
TRY	0.0288	0.0289	0.0286	0.0288	0.00%
Dollar Idx	105.782	106.731	105.824	106.446	0.67%
Brent	72	72.89	71.52	71.83	-1.52%
WTC	69.2	69.36	67.96	68.35	0.13%
Gold	2653.3201	2655.83	2621.69	2638.93	-0.55%
KWSE Index	7243.96	7261.02	7234.95	7256.42	0.14%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.06	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

**0.70%**

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 manufacturing contracts at slow pace; input price growth cools

WASHINGTON, Dec 2 (Reuters) - U.S. manufacturing contracted at a moderate pace in November, orders growing for the first time in eight months and factories facing significantly lower prices for inputs. The ISM said its manufacturing PMI increased to a five-month high of 48.4 from 46.5 in October, which was the lowest level since July 2023. A PMI reading below 50 indicates contraction in the manufacturing sector, which accounts for 10.3% of the economy. The share of industries reporting a composite PMI calculation at or below 45%, viewed as a good barometer of overall manufacturing weakness, rose to 48% from 46% in October.

### UK manufacturing PMI sinks to 9-month low as orders dry up

LONDON, Dec 2 (Reuters) - A gauge of British manufacturing activity released on Monday pointed to the sharpest contraction in nine months, as orders from domestic and foreign customers fell and ongoing supply chain disruption pushed up costs. The S&P Global manufacturing Purchasing Managers' Index sank to 48.0 in November from 49.9 in October - below an earlier estimate of 48.6 and the 50 level that divides growth from contraction. Some businesses said clients were delaying or cancelling investment projects due to increased costs following the budget and broader global uncertainty, S&P said.

### Canadian factory PMI climbs to 21-month high in November

TORONTO, Dec 2 (Reuters) - Canadian manufacturing activity increased at the fastest pace in 21 months in November as the Bank of Canada's interest-rate cutting campaign boosted domestic demand and despite port strikes that worsened delivery delays, data showed on Monday. The S&P Global Canada Manufacturing Purchasing Managers' Index (PMI) rose to 52.0 in November from 51.1 in October, its highest level since February 2023 and the third straight month above the 50.0 no-change mark. The Canadian central bank has cut its benchmark interest rate by one and a quarter percentage points since June, lowering the rate to 3.75%.

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### Australia public spending splurge carries economy in Q3

SYDNEY, Dec 3 (Reuters) - Australia's government ramped up spending on infrastructure and defence in the third quarter, data showed on Tuesday, making a vital contribution to economic growth as consumers struggled beneath high borrowing costs. Figures for third-quarter gross domestic product are due on Wednesday and had been widely expected to show modest growth of 0.4% as consumers remained reluctant to spend even as billions in tax cuts fattened wage packets from July. Market analysts had forecast annual growth to climb marginally to 1.1% from 1.0%, still the sort of sluggish pace usually associated with the pandemic and recessions.

### Philippines tweaks 2024 GDP growth target, revises outlook for 2025-2028

MANILA, Dec 2 (Reuters) - The Philippines has narrowed its economic growth target for 2024 to a range of 6.0% to 6.5%, down from a top end of 7% previously, and revised its outlook through 2028 amid domestic and external uncertainties, a government panel said on Monday. At the same time, the Philippines also widened its growth target for 2025-2028 to a range of 6.0% to 8.0%, from 6.5% to 7.5% for 2025 and 6.5% to 8.0% in 2026-2028 in the June meeting to reflect "evolving domestic and global uncertainties." The Philippine economy grew 5.2% in the third quarter, its weakest in more than a year, as adverse weather disrupted government spending and dampened farm output.

### Oil prices trade in tight range ahead of OPEC+ meeting

SINGAPORE, Dec 3 (Reuters) - Oil prices were little changed on Tuesday, trading within a narrow range, as traders awaited the outcome of an OPEC+ meeting later this week. Brent crude futures were up 14 cents, or 0.19%, at \$71.97 a barrel, after a 1-cent drop in the previous session. U.S. West Texas Intermediate crude climbed 8 cents, or 0.12%, to \$68.18, following a 10-cent gain at Monday's close. OPEC+, which includes the Organization of the Petroleum Exporting Countries and allies such as Russia, has been looking to unwind production cuts by the first quarter of 2025. However, the outlook for surplus supply has put pressure on prices.