



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

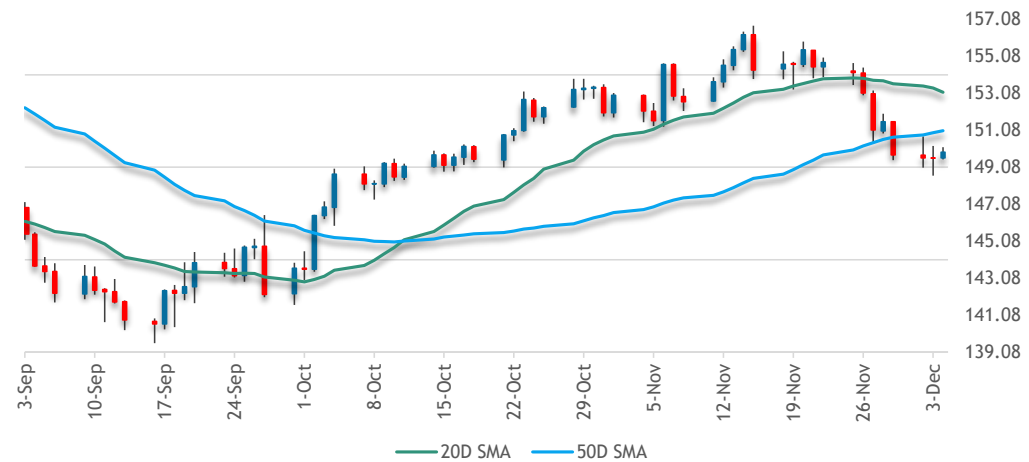
KFH Treasury



Report produced on
Wed, 04/Dec/2024

Forex Market

JAPANESE YEN



CLOSE
149.59

1M %chg
-2.22%

3M %chg
2.83%

USD/JPY, JPY crosses bounce but upsides limited, off since

04 Dec 2024 07:59:14 AM

- * USD/JPY and the JPY crosses saw bounces in Asia but upsides were limited
- * USD/JPY 149.53 early to 150.08 EBS before peaking out
- * Japanese importer buys, also covering of haven flows on SoKorea developments
- * Japanese exporters, specs, option players on rally 150.00+
- * Holders of 150.00 USD calls/JPY puts look to hedge out positions pre-expiry
- * Expiries today from 150.00 too, massive between 150.95-151.25 strikes
- * Descending 149.76-92 hourly Ichi cloud, 149.82 55-HMA providing resistance
- * Support still in area to 152.70 daily Ichi cloud top but cloud ascending

EURO



CLOSE
1.0509

1M %chg
-3.00%

3M %chg
-4.84%

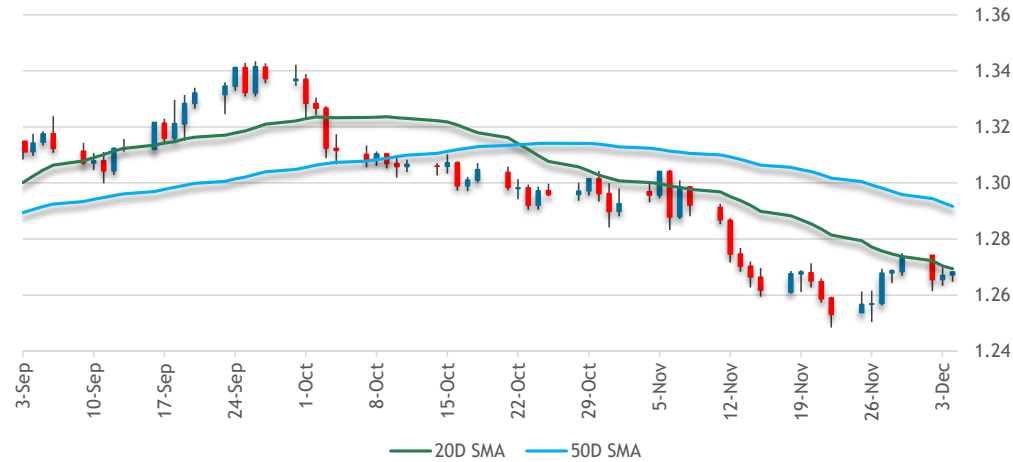
EUR/USD-Focus on the impact of a French no-confidence vote

04 Dec 2024 06:51:01 AM

- * Little changed in a 1.0497-1.0512 range, after an inside day on Tuesday
- * Focus on French politics as a no-confidence vote is expected today
- * If the vote passes French risk premium will likely remain under pressure
- * Charts - neutral daily momentum studies as 21-day Bollinger bands contract
- * 5, 10 & 21-DMA's crest, weekly moving averages fall - net a bearish setup
- * 1.0571 21 DMA then the 1.0610 recent range top is pivotal resistance
- * Last week's 1.0425 base and the November 1.0331 low are initial supports

Forex Market

POUND STERLING



CLOSE
1.2670

1M %chg
-1.98%

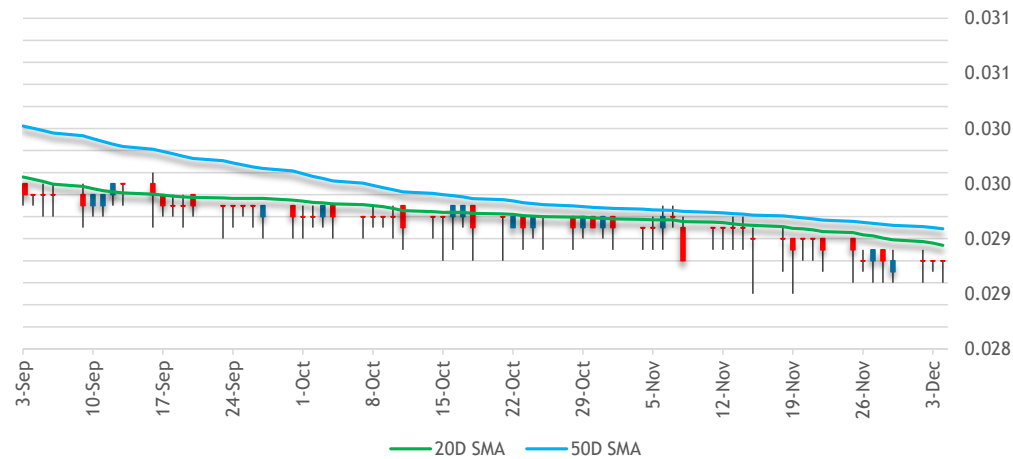
3M %chg
-3.36%

GBP/USD-Steady ahead of significant EZ and US event risk

04 Dec 2024 06:39:52 AM

- * Unchanged in a 1.2660-1.2677 range with only occasional FX matching flow
- * French lawmakers brace for more turmoil as no-confidence vote looms
- * Events in France, EZ credit markets could easily produce EUR/GBP volatility
- * Techs - daily momentum studies climb, 21-day Bollinger bands contract
- * 5, 10 & 21-day moving averages coil - neutral daily setup, bearish weeklies
- * Last Wednesday's 1.2569 low, then the 1.2475 Nov trend low initial supports
- * Well tested 1.2686 21 DMA then 1.2841, 0.382% Sep/Nov fall first resistance
- * A close above 1.2841 needed to end the September/November downtrend

TURKISH LIRA



CLOSE
0.0288

1M %chg
-1.03%

3M %chg
-2.04%

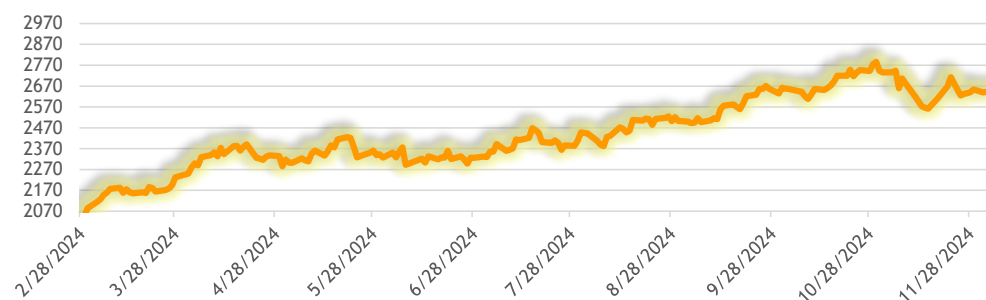
Turkey inflation higher than expected, teeing up tough rate decision

03 Dec 2024 12:59:39 AM

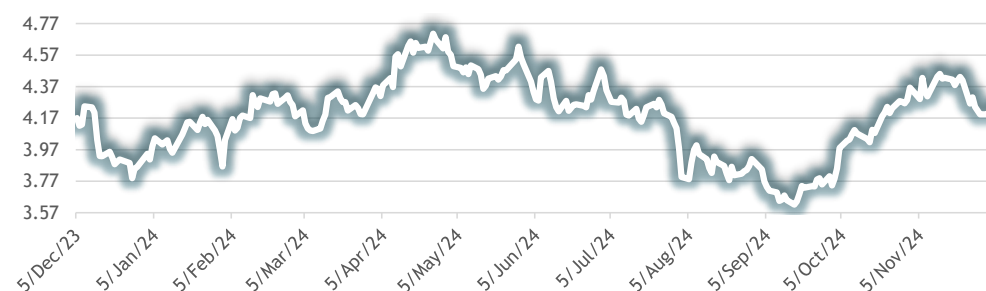
ANKARA, Dec 3 (Reuters) - Turkish inflation was higher than expected at 47.09% annually and 2.24% on a monthly basis in November, official data showed on Tuesday, potentially reducing the prospect of an interest rate cut later this month. Prices of food and non-alcoholic drinks jumped 5.1% from the previous month, the Turkish Statistical Institute data showed, underlining the central bank's continued struggle against years of high inflation. Health-related prices rose 2.69%. In a Reuters poll, the consumer price index inflation rate was expected to slow to 46.6% on an annual basis, while the monthly figure was seen at 1.91%, mainly due to food and medicine prices. The Turkish lira was little changed after the data at 34.7505 to the dollar, having earlier touched a record low.

Gold, US Treasury & Dollar Index

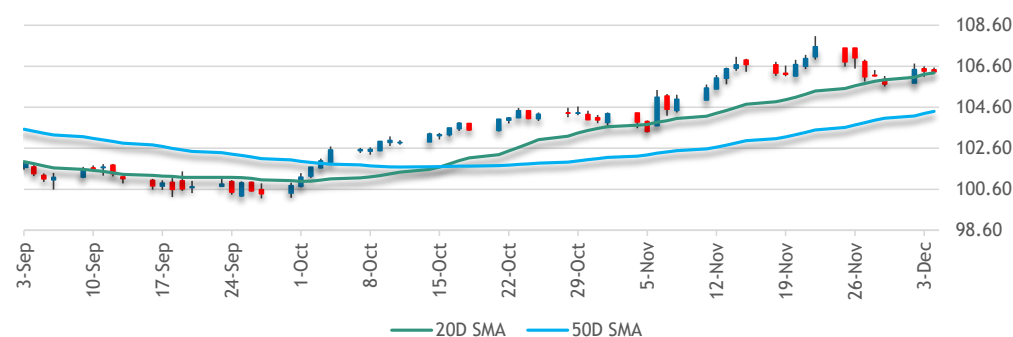
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.23

1M %chg

-3.25%

3M %chg

9.81%

PRECIOUS-Gold steady; all eyes on US jobs data, Fed Chair's speech

04 Dec 2024 07:43:57 AM

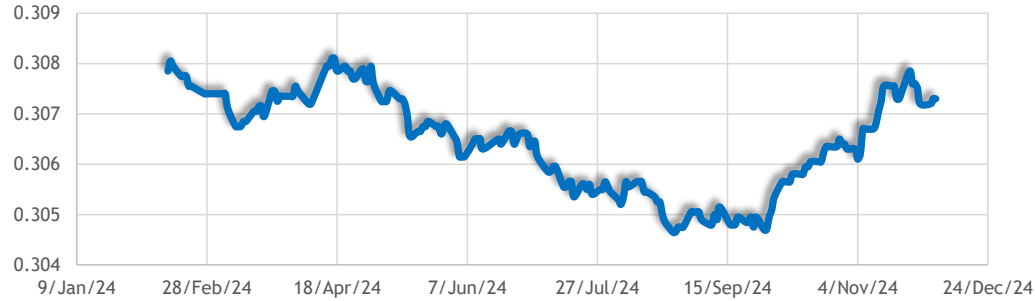
Dec 4 (Reuters) - Gold prices steadied on Wednesday as markets awaited U.S. jobs data and comments from Federal Reserve Chair Jerome Powell for further insights into the U.S. interest rate cut trajectory. Spot gold held its ground at \$2,644.42 per ounce. U.S. gold futures eased 0.1% to \$2,666.40. The U.S. ADP employment report is due, ahead of the U.S. payrolls report on Friday. Powell is scheduled to speak later in the day in what is expected to be his last public remarks before the Fed's December meeting. The primary factor behind gold's lacklustre movement is that markets anticipated a much shallower U.S. rate cut cycle for 2025, said Kelvin Wong, OANDA's senior market analyst for Asia Pacific. According to the CME Group's FedWatch Tool, traders see about 73% chance of a 25-basis-points reduction by the Fed this month, with 80 bps of cuts expected by the end of 2025. Spot silver rose 0.1% to \$31.06 per ounce, platinum dropped 0.2% to \$951.90 and palladium shed 0.3% to \$968.89.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
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
S&P GLOBAL SERVICE PMI	GB	04/Dec 15:00	Nov	50.0	50.0
Producer Prices MM	EU	04/Dec 15:30	Oct	-0.6	0.4

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0497	1.0535	1.0479	1.0509	0.11%
GBP	1.2655	1.2699	1.2633	1.267	0.12%
JPY	149.59	150.23	148.63	149.59	0.00%
TRY	0.0288	0.0288	0.0287	0.0288	0.00%
Dollar Idx	106.476	106.602	106.087	106.365	-0.08%
Brent	71.93	73.93	71.68	73.62	2.49%
WTC	69.43	70.48	69	70.15	2.63%
Gold	2638.91	2655.32	2633.9121	2643.44	0.17%
KWSE Index	7260.23	7278.05	7257.23	7263.36	0.10%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.06	3M	4.00
SW	3.50	6M	4.13
1M	3.75	1Y	4.31

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30730

0.74%

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 labor market steadily cooling amid higher job openings, low layoffs

WASHINGTON, Dec 3 (Reuters) - U.S. job openings increased solidly in October while layoffs dropped by the most in 1-1/2 years, suggesting the labor market continued to slow in an orderly fashion. There were 1.11 job openings for every unemployed person in October, up from 1.08 in September. This ratio, which peaked at 2.03 in early 2022, is now below the 1.2 that prevailed before the COVID-19 pandemic. Job openings, a measure of labor demand, had risen by 372,000 to 7.744 million by the last day of October, the Labor Department's Bureau of Labor Statistics said. Data for September was revised lower to show 7.372 million unfilled positions instead of the previously reported 7.443 million.

UK retailers report weakest sales since April, BRC survey shows

LONDON, Dec 3 (Reuters) - British retailers reported lacklustre sales in November, according to industry data on Tuesday affected by the timing of the Black Friday sales, although it still pointed to weakening consumer confidence. Sales volumes dropped by 3.3% in the 12 months to November, the weakest reading since April when they fell 4.0%, and below an increase of 0.6% in the year to October, the British Retail Consortium said. Last month's decline reflected the fact that this year's data did not include Black Friday sales in late November, which will be reflected in the December numbers, though they were included in last year's comparison. The BRC said non-food sales fell 2.1% year-on-year in the three months to November.

Russia's interest rate, inflation seen higher after rouble's fall

MOSCOW, Dec 3 (Reuters) - The Russian central bank is set to raise its benchmark interest rate by another 200 basis points to 23% at its Dec. 20 board meeting after the rouble's sharp fall in November, a Reuters poll showed on Tuesday. Inflation was seen hitting 9% in 2024, according to the poll, above the central bank's official estimate of 8.5%, and gradually falling to 6.3% next year as a result of the central bank's monetary tightening. Economic growth forecasts were almost unchanged from last month, with analysts expecting GDP growth at 3.8% in 2024, just below the official forecast of 3.9%. Economic growth is expected to slow to 1.8% next year.

Japan's service activity perks up as demand improves, PMI shows

TOKYO, Dec 4 (Reuters) - Japan's service activity swung back to growth in November as improving demand supported new business, a private sector survey showed on Wednesday. The final au Jibun Bank Service purchasing managers' index (PMI) rose to 50.5 in November from 49.7 in October, according to the survey compiled by the S&P Global Market Intelligence. It was slightly higher than a flash reading of 50.2 and rose above the 50.0 threshold separating expansion from contraction. Firms were optimistic about their business outlook with the index of the future activity rising to the highest since July. The composite PMI, which combines manufacturing and service activity, grew to 50.1 in November from 49.6 in October.

Brazil's economy retains strong momentum in Q3, fueling inflation concerns

BRASILIA, Dec 3 (Reuters) - Brazil's economy slowed in the third quarter but maintained strong momentum, official data showed, reinforcing expectations that the central bank may need to adopt a more aggressive stance to tame inflationary pressures. This followed growth of 1.4% in the second quarter and 1.1% in the first, said IBGE. The performance prompted the Finance Ministry to signal an upward revision to its forecast of 3.3% annual growth, saying it expects the labor market to "remain resilient in the final quarter of the year". Year-on-year, GDP increased 4.0% between July and September, outpacing the projected 3.9% rise. On the supply side, the services sector, the main engine of the country's economy, grew 0.9% from the prior quarter, while the industrial sector grew by 0.6%.

Oil prices edge up on geopolitical tensions, OPEC+ supply plans

Dec 4 (Reuters) - Oil prices firmed on Wednesday as market participants weighed up geopolitical tensions and the prospect of OPEC+ extending supply cuts against weaker demand. Brent crude futures rose 16 cents, or 0.2%, to \$73.78 a barrel, while U.S. West Texas Intermediate crude futures gained 14 cents, or 0.2%, to \$70.08. On Tuesday, Brent posted its biggest gain in two weeks, rising 2.5%. Meanwhile in the U.S., crude oil inventories rose 1.2 million barrels last week, market sources said, citing data from the American Petroleum Institute. Analysts polled by Reuters expect a 700,000 barrel decline in crude and a 639,000 barrel increase in gasoline.

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