



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

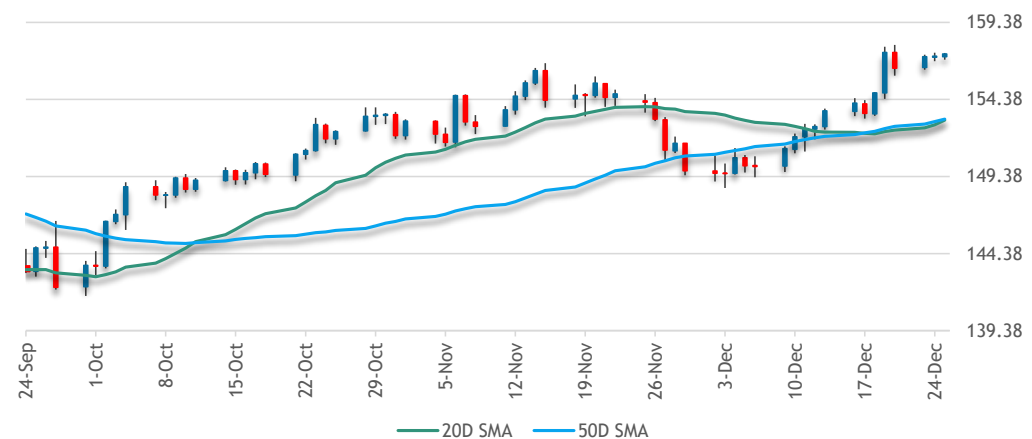
## KFH Treasury



*Report produced on*  
**Wed, 25-Dec-2024**

# Forex Market

## JAPANESE YEN



CLOSE **157.18** 1M %chg **1.58%** 3M %chg **9.75%**

### USD/JPY holding around 157.00, quiet Christmas eyed

25 Dec 2024 03:58:02 AM

- \* Tokyo the only major financial centre open on Christmas
- \* Most eye quiet, range-bound trading, range so far 157.00-30 EBS
- \* Follows range of 156.90-157.41 yesterday, recent high 157.93 Dec 20
- \* Range capped at Dec 20 high, base 155.97 retracement low Dec 20 too
- \* Tech support from wafer thin 156.95 hourly Ichi cloud, cloud to fan out
- \* 55-HMA in area at 156.90, ascending 100-HMA 156.71 below
- \* No large option expiries to speak of on Christmas, some small nearby tom
- \* USD/JPY moves to upside likely met by fresh MOF verbal intervention

## EURO



CLOSE **1.0397** 1M %chg **-0.19%** 3M %chg **-7.00%**

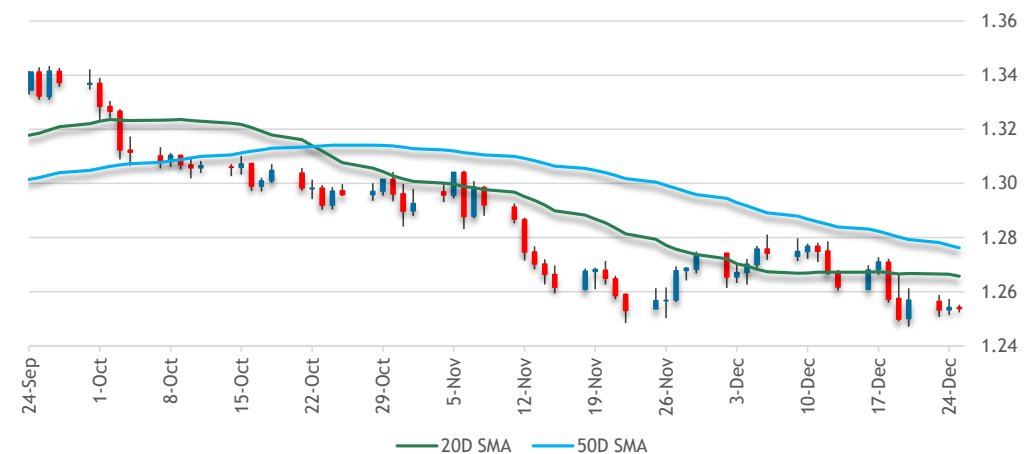
### EUR/USD falls to day's low as US shares shine

24 Dec 2024 11:38:12 PM

- \* EUR/USD slides to day's low as Trsy yields, US shares and energy advances
- \* Positive US tone supported by 3-yr high in Richmond Fed Services index
- \* Custody bank flows indicate broad USD buying ahead of holidays
- \* Gamma linked to series of 1.0400 expiries helps curb losses
- \* Session range widens to 1.0384-1.0408 on EBS
- \* Downward momentum builds below 1.0356 lower Bollinger, 1.0332 2024 EBS low
- \* EUR/CHF up for a third day, stays above 0.9272 low set before SNB rate

# Forex Market

## POUND STERLING



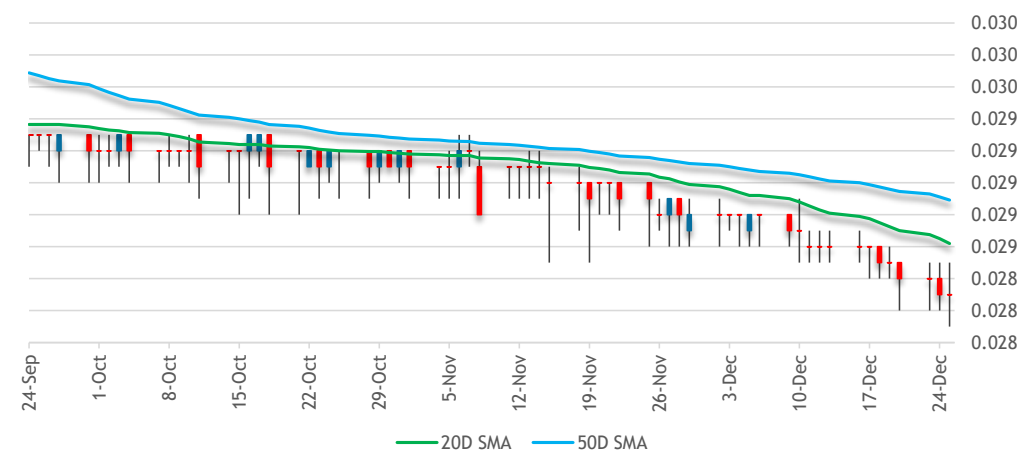
CLOSE **1.2542** 1M %chg **0.09%** 3M %chg **-6.49%**

### GBP/USD turns down amid broad dollar gains

24 Dec 2024 10:48:04 PM

- \* GBP/USD reverses rise and falls to day's low amid broad dollar gains
- \* Session range on Tuesday moves to 1.2519-1.2572
- \* GBP/JPY eyes top of daily cloud on further losses
- \* Year-end flows to dominate due to dearth of UK data, BOE speakers next week
- \* Close below nearby lower Bollinger and 1.25 suggests test of 1.2299 2024 low
- \* Positive seasonals and favorable forwards points may help limit losses

## TURKISH LIRA



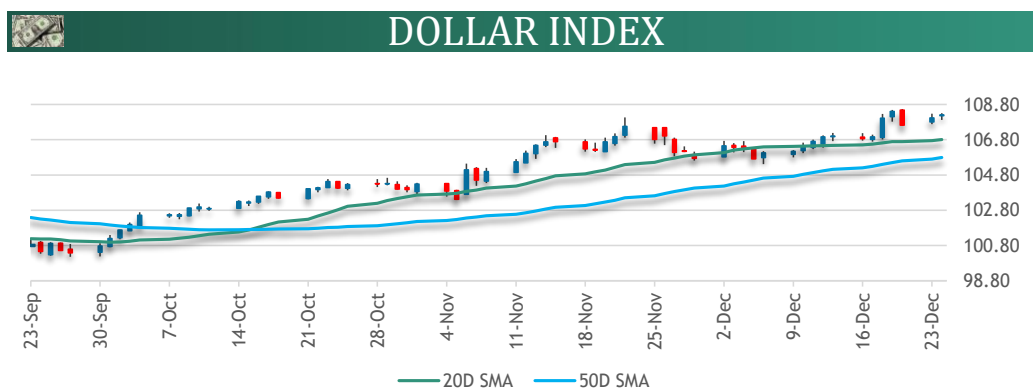
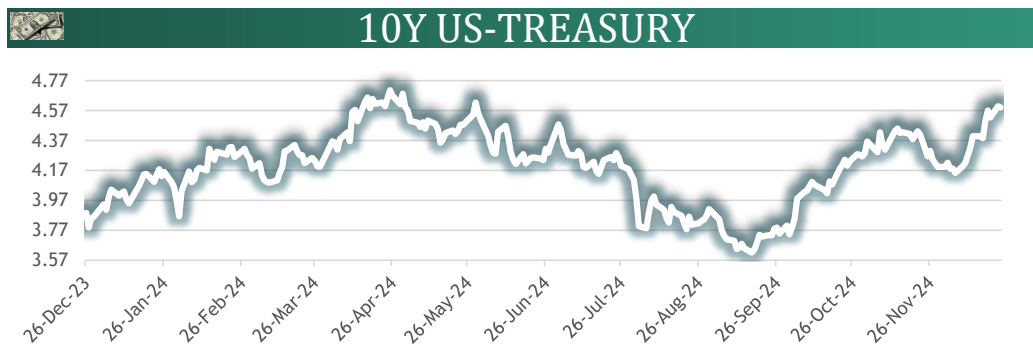
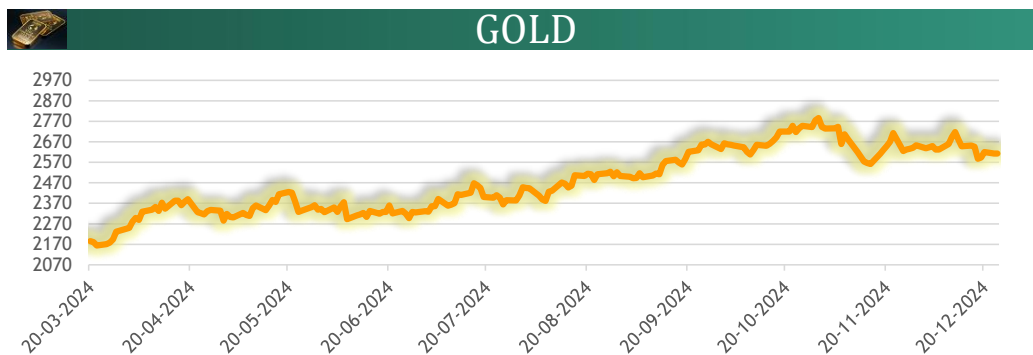
CLOSE **0.0283** 1M %chg **-2.08%** 3M %chg **-3.41%**

### Turkey mulling whether to update inflation-indexed prices of some items, minister says

24 Dec 2024 01:02:48 PM

ISTANBUL, Dec 24 (Reuters) - Turkey is considering whether or not to update inflation-indexed prices of some critical items such as fuel next year, Turkish Finance Minister Mehmet Simsek said on Tuesday, as the government aims to keep high inflation under control. Speaking at an event in Istanbul, Simsek also said a lower budget deficit will support the continued decline in inflation next year from current annual 47%.

# Gold, US Treasury & Dollar Index



US 10YT YIELD

**4.59**

1M %chg

**4.01%**

3M %chg

**22.78%**

## PRECIOUS-Gold steadies in holiday lull as markets await 2025 Fed moves

24 Dec 2024 09:57:04 PM

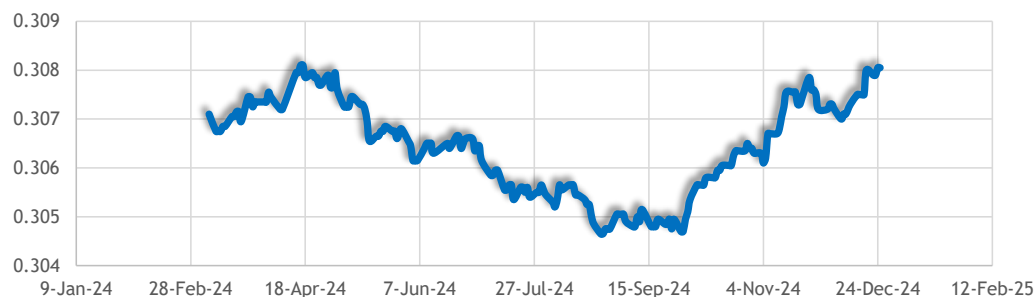
Dec 24 (Reuters) - Gold prices steadied in holiday-thinned trade on Tuesday as investors looked ahead to the U.S. Federal Reserve's interest rate strategy and President-elect Donald Trump's tariff policies, which could shape the metal's trajectory next year. Spot gold XAU= rose 0.1% to \$2,616.88 per ounce. U.S. gold futures GCv1 settled 0.3% up at \$2,635.50. Gold had a stellar year in 2024, poised for its best performance since 2010 with a 27% gain. Bullion is considered a safe investment during economic and geopolitical turmoil. However, the momentum began to wane in early November as the dollar strengthened amid "Trump euphoria", denting gold's rally. While the Fed aggressively cut rates in September, November, and December, it has signaled fewer cuts in 2025 due to stubbornly high inflation. Spot silver XAG= was steady at \$29.65 per ounce, platinum XPT= rose 0.4% to \$942.50, and palladium XPD= gained 1.8% to \$946.11.

## UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Foreign Bond Investment	JP	25-Dec 05:20	w/e	706.1	
Foreign Invest JP Bonds*	JP	25-Dec 05:20	w/e	382.6	
Foreign Stock Investment*	JP	25-Dec 05:20	w/e	33.7	
Foreign Invest JP Stock	JP	25-Dec 05:20	w/e	-587.6	
Leading Indicator Revised*	JP	25-Dec 10:30	Oct	-0.3	
CPI Tokyo Ex fresh food YY	JP	26-Dec 05:00	Dec	2.2	2.5
CPI, Overall Tokyo	JP	26-Dec 05:00	Dec	2.6	
Jobs/Applicants Ratio*	JP	26-Dec 05:00	Nov	1.25	1.25
Unemployment Rate*	JP	26-Dec 05:00	Nov	2.5	2.5
Industrial O/P Prelim MM SA*	JP	26-Dec 05:20	Nov	2.8	-3.4
IP Forecast 1 Mth Ahead	JP	26-Dec 05:20	Dec	-2.2	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0404	1.041	1.0382	1.0397	-0.08%
GBP	1.2533	1.2574	1.2515	1.2542	0.07%
JPY	157.13	157.41	156.87	157.18	0.01%
TRY	0.0284	0.0285	0.0282	0.0283	-0.35%
Dollar Idx	108.158	108.3	107.922	108.2	0.15%
Brent	72.96	73.81	72.79	73.58	1.31%
WTC	70.49	71.13	70.45	70.87	1.97%
Gold	2612.95	2621.42	2609.5334	2613.2	0.01%
KWSE Index	7287.19	7343.14	7286.35	7329.38	0.54%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.06	3M	3.94
SW	3.38	6M	4.13
1M	3.69	1Y	4.31

## CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

**0.30805**

3M% CHG

**1.02%**

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	18-Dec-'24	4.50	3.75	0.75
ECB Refinancing Rate	12-Dec-'24	3.15	3.40	-0.25
BOE Bank Rate	19-Dec-'24	4.75	4.75	0.00
BOJ Prime Rate	10-Dec-'24	1.90	1.90	0.00
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50

## KEY INTERNATIONAL STORIES

### US new home sales rebound in November after hurricane drag

WASHINGTON, Dec 23 (Reuters) - Sales of new U.S. single-family homes rebounded in November after being depressed by hurricanes in the prior month, but rising mortgage rates could hamper sales next year. New home sales jumped 5.9% to a seasonally adjusted annual rate of 664,000 units last month, the Commerce Department's Census Bureau said on Monday. The sales pace for October was revised higher to a rate of 627,000 units from the previously reported 610,000 units. Economists polled by Reuters had forecast that new home sales, which account for about 15% of U.S. home sales, would rebound to a rate of 660,000 units.

### UK business morale falls to 2024 low but pay growth strong, surveys show

LONDON, Dec 23 (Reuters) - British business confidence fell to its lowest level of 2024 in December but employers were a bit more optimistic about the wider economy, according to a survey published on Monday, while separate data showed a pre-Christmas rise in hiring and pay. The Lloyds Bank Business Barometer measure of confidence among companies fell by 2 points to 39%, still above its long-run average of 29%. Online jobs website Adzuna said its measure of growth in vacancies rose by the most in 2024 so far in November, up by 2.3% from October, driven in part by the logistics sector.

### Canada's economy tops October growth forecast; contraction seen in November

OTTAWA, Dec 23 (Reuters) - Canada's economy exceeded market expectations with 0.3% growth in October, led by increases in oil and gas extraction and manufacturing, but gross domestic product likely contracted in November, data showed on Monday. Analysts polled by Reuters had forecast a 0.2% month-over-month rise in October. September's growth rate was upwardly revised to 0.2% from an initial report of 0.1%, Statistics Canada (Statscan) data showed. The stronger than expected start to the fourth quarter and the upward revision to September's growth rate could assuage some concerns about Canada's economy.

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### BOJ debated need for caution in raising rates, Oct minutes show

TOKYO, Dec 24 (Reuters) - Bank of Japan policymakers agreed in October to keep raising interest rates if the economy moves in line with their forecast, but some stressed the need for caution on uncertainty over U.S. economic policy, minutes of the meeting showed on Tuesday. The debate highlights how overseas economic risks, particularly those surrounding the new U.S. administration's policies, will be key to how soon the BOJ will hike rates. The BOJ left interest rates steady at 0.25% at the October meeting but projected inflation to move around its 2% target in the coming years, signalling that it was on track to hike borrowing costs in the near-term horizon.

### Thai government plans slightly higher spending in 2025-2026 fiscal year

BANGKOK, Dec 24 (Reuters) - Thailand is planning a small rise in spending of 3.78 trillion baht (\$110.7 billion) for the 2026 fiscal year and a slightly lower deficit of 860 billion that year, the government said on Tuesday. The budget plan is based on expected economic growth of between 2.3% and 3.3% and inflation of 0.7% to 1.7% in 2026, it said in a medium-term fiscal plan, which was approved by the cabinet on Tuesday. The 2026 fiscal year starts on Oct. 1, 2025. The 2026 budget plan would increase spending by 0.7% from the 3.75 trillion baht planned for the 2025 fiscal year, when spending is set to rise from 2024, according to the statement.

### Oil prices rise 1% in thin pre-holiday trade

NEW YORK/LONDON, Dec 24 (Reuters) - Oil prices rose more than 1% on Tuesday, reversing the prior session's losses on a brightening short-term outlook tied to the prospect of slightly tightening supplies as trade thinned ahead of the Christmas and Hanukkah holidays. Brent crude futures LCOc1 settled at \$73.58, rising 95 cents, or 1.3%. U.S. West Texas Intermediate crude futures CLc1 settled at \$70.10, rising 86 cents, or 1.2%. U.S. crude oil and distillate stocks were seen falling last week by 3.2 million barrels and 2.5 million barrels, respectively, while gasoline stocks were seen rising last week, market sources said, citing American Petroleum Institute figures.