



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

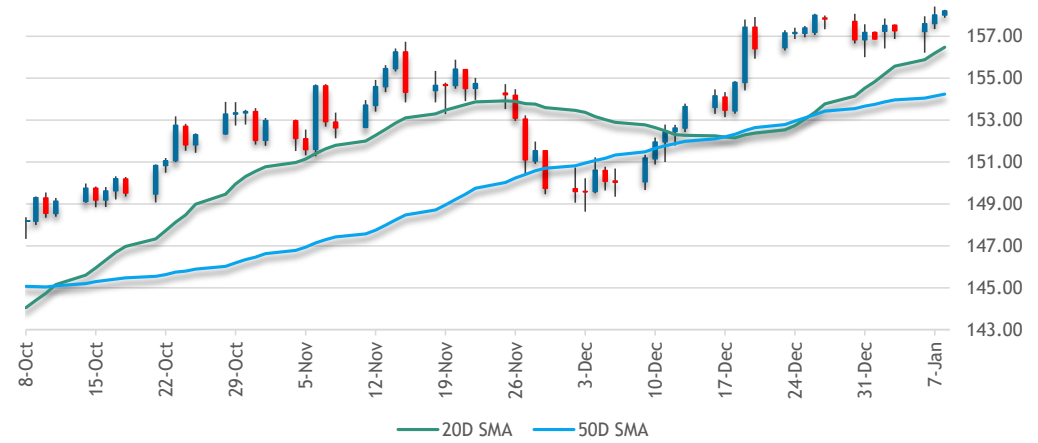
KFH Treasury



Report produced on
Wed, 08-Jan-2025

Forex Market

JAPANESE YEN



CLOSE **158.02**
 1M %chg **5.33%**
 3M %chg **6.64%**

USD/JPY still bid, on hold with JPY crosses
 08 Jan 2025 07:43:32 AM
 * USD/JPY on hold in Asia at recent highs, 157.90-158.25 EBS
 * On hold below 158.42 high yesterday, best since 158.63 on July 17
 * Support from flat, hourly Ichi kijun at 157.88, 55-HMA 157.71 below
 * Base seen at 157.50, massive \$1.7 bln in option expiries today
 * Support from firm US yields, wider long-end JGB-Tsy rate differential
 * Japanese importer and new NISA flows again at today's Tokyo fix
 * Small swoon post-fix but downside limited with USD broadly bid
 * Market hunkering down for US market holiday Thursday, jobs report Friday

EURO



CLOSE **1.0339**
 1M %chg **-2.17%**
 3M %chg **-5.79%**

EUR/USD-Bounce, but events in the US likely lead offshore
 08 Jan 2025 06:41:16 AM
 * +0.15% in a 1.0339-1.0354 range in Asia, with the U.S. dollar off 0.1%
 * German factory orders and retail sales interesting, unlikely market moving
 * US ADP jobs, weekly unemployment claims, and FOMC minutes to lead EUR/USD
 * Charts - mixed daily momentum studies, 21-day Bollinger bands edge lower
 * 5, 10 & 21-DMA's ease, weekly moving averages fall - a modest negative bias
 * December 30th 1.0458 top then Dec 17 1.0535 high are initial resistance
 * 1.0224 January low then 1.0195 0.618% 2022/23 rise are the first supports
 * 1.0350 712mln are the only significant close strikes for Jan 8th

Forex Market

POUND STERLING



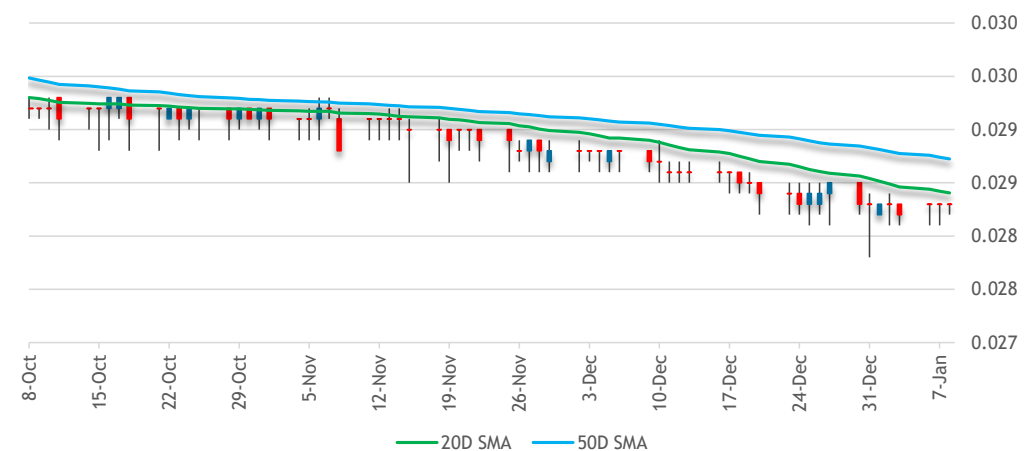
CLOSE **1.2473** 1M %chg **-2.11%** 3M %chg **-4.66%**

GBP/USD-Steady in Asia - focus on gilt yields in London

08 Jan 2025 06:19:25 AM

- * Steady in a tight 1.2473-1.2481 range with occasional FX Matching flow
- * With no significant UK data or BoE events the USD & risk appetite lead GBP
- * The focus will likely be on gilt yields after Tuesdays rise in long yields
- * The UK budget reverberates, yield volatility is bad news into the Trump era
- * Charts - daily momentum studies rise, 21-day Bollinger bands contract
- * 5, 10 & 21-DMA's ease - weeklies remain bearish - a modest negative setup
- * January 1.2352 low then the 1.2299 April, and 2024 base are initial supports
- * Tuesday's 1.2575 high, then last week's 1.2616 top are the first resistance
- * Targets another 1.2352 test while 1.2616 caps on the close

TURKISH LIRA



CLOSE **0.0283** 1M %chg **-1.74%** 3M %chg **-3.08%**

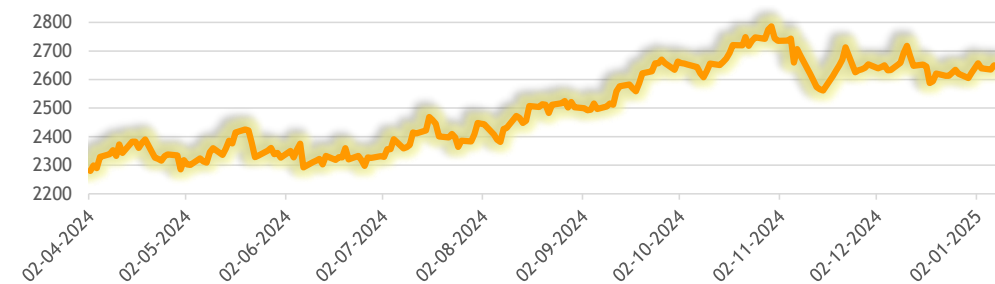
Turkey -Factors To Watch

08 Jan 2025 08:26:04 AM

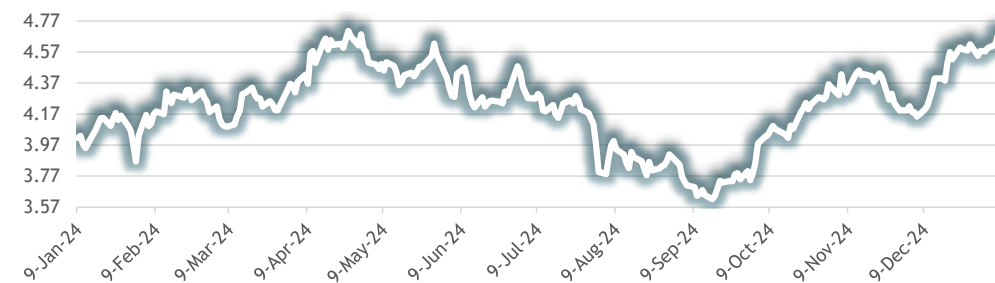
ANKARA, Jan 8 (Reuters) - The lira TRY/TOM=D3 traded at 35.3500 against the U.S. dollar, after closing at 35.3250 on Tuesday. The main BIST 100 share index .XU100 closed 1.13% lower at 9,972.03 points on Tuesday. Turkey increased the minimum monthly pension payment by 15.75% to 14,469 lira (\$409.32), Labour Minister Vedat Isikhan said on Tuesday.

Gold, US Treasury & Dollar Index

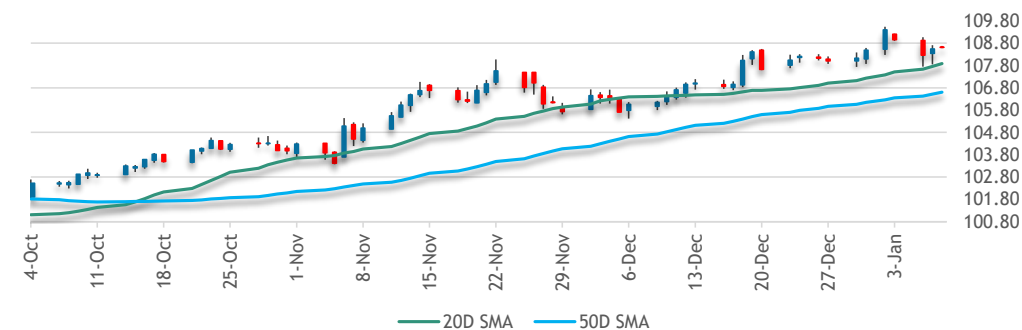
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.68

1M %chg

12.81%

3M %chg

16.37%

PRECIOUS-Gold inches lower as US yields, dollar rise on strong data

08 Jan 2025 07:48:10 AM

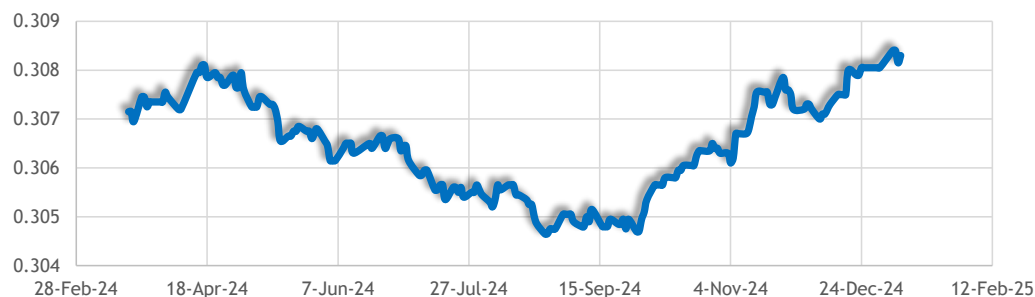
Jan 8 (Reuters) - Gold prices edged lower on Wednesday, pressured by higher U.S. Treasury yields and a stronger dollar after data suggested the Federal Reserve might slow the pace of rate cuts this year. Spot gold slipped 0.1% to \$2,648.16 per ounce. U.S. gold futures fell 0.1% to \$2,662.30. The dollar strengthened and benchmark 10-year Treasury yield hit an eight-month high after data on Tuesday pointed to a strong economy. Markets are currently pricing in the probability of just one Fed cut in 2025, down from two in December, according to the CME FedWatch tool. The Fed's projections in December implied a shift to a more cautious pace of rate cuts this year, with most policymakers expressing concern that inflation could reignite. Bullion is considered a hedge against inflation, but high rates reduce the non-yielding asset's appeal. Spot silver added 0.3% to \$30.11 per ounce, platinum dropped 0.5% to \$946.11 and palladium edged 0.2% lower to \$923.87.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Overtime Pay*	JP	08-Jan 05:00	Nov	1.4	
Foreign Bond Investment	JP	08-Jan 05:20	w/e	-919.2	
Foreign Invest JP Bonds*	JP	08-Jan 05:20	w/e	-1952.2	
Foreign Stock Investment*	JP	08-Jan 05:20	w/e	181.5	
Foreign Invest JP Stock	JP	08-Jan 05:20	w/e	-1022.6	
Consumer Confid. Index*	JP	08-Jan 10:30	Dec	36.4	
Business Climate*	EU	08-Jan 15:30	Dec	-0.77	
Industrial Sentiment *	EU	08-Jan 15:30	Dec	-11.1	-11.7
Cons Infl Expec *	EU	08-Jan 15:30	Dec	17.7	
Consumer Confid. Final *	EU	08-Jan 15:30	Dec	-14.5	-14.5
Economic Sentiment *	EU	08-Jan 15:30	Dec	95.8	95.6

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.039	1.0434	1.0338	1.0339	-0.49%
GBP	1.2516	1.2575	1.2473	1.2473	-0.35%
JPY	157.61	158.42	157.35	158.02	0.27%
TRY	0.0283	0.0283	0.0281	0.0283	0.00%
Dollar Idx	108.339	108.704	107.848	108.542	0.26%
Brent	76.18	77.3	75.91	77.05	0.98%
WTC	74.66	75.23	74.48	74.99	0.92%
Gold	2635.89	2664.19	2632.1743	2649.49	0.54%
KWSE Index	7441.13	7485.21	7441.13	7477.85	0.64%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.13	3M	4.00
SW	3.50	6M	4.19
1M	3.75	1Y	4.38

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30815

3M% CHG

0.82%

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	26-Dec-'24	49.00	53.00	-4.00

KEY INTERNATIONAL STORIES

US labor market stable as job openings rise, hiring eases in November

WASHINGTON, Jan 7 (Reuters) - U.S. job openings unexpectedly increased in November while hiring softened, suggesting the labor market continued to slow at a pace that probably does not require the Federal Reserve to be in a rush to cut interest rates. There were 1.13 job openings for every unemployed person, up from 1.12 in October. The vacancies-to-unemployed ratio is just below its average of 1.2 before the COVID-19 pandemic. It was 1.43 a year ago. The U.S. central bank reduced rates last month for the third straight time since it kicked off its easing cycle in September, but projected fewer cuts this year.

UK construction growth slows to 6-month low, PMI shows

LONDON, Jan 7 (Reuters) - Activity in Britain's construction industry grew at the slowest pace in six months in December, dented by a further fall in house-building, a survey showed on Tuesday. The S&P Global Purchasing Managers' Index for the construction sector dropped to 53.3 in December from November's 55.2, its lowest since June and below all forecasts in a Reuters poll of economists. S&P's UK all-sector PMI, which includes previously released services and manufacturing PMI data for December, fell to a 13-month low of 50.6 from 50.9 in November, just above the 50 mark that divides growth from contraction.

Euro zone inflation jumps on higher energy costs

FRANKFURT, Jan 7 (Reuters) - Euro zone inflation accelerated in December, an unwelcome but anticipated blip that is unlikely to derail further interest rate cuts from the ECB. Inflation in the 20 nations sharing the euro picked up to 2.4% last month from 2.2% in November, Eurostat said on Tuesday, in line with expectations in a Reuters poll of economists, lifted by more expensive energy and stubbornly high services costs. Price growth excluding volatile food and energy held at 2.7% and the closely watched services component, the single biggest item in the consumer price basket, accelerated to 4.0% from 3.9%.

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Australia's core inflation slows, keeping door open to Feb rate cut

SYDNEY, Jan 8 (Reuters) - Australian consumer price inflation crept up from three-year lows in November as electricity costs jumped, but a drop in core inflation still bolstered the case for a cut in interest rates as early as next month. Data from the Australian Bureau of Statistics on Wednesday showed its monthly consumer price index rose at an annual pace of 2.3% in November, up from 2.1% the previous month and just above market forecasts of 2.2%. Electricity prices jumped 22% in November but that was largely due to the timing of government rebates. Electricity subsidies from the federal and state governments still lowered prices by 21.5% from a year prior.

Brazil's 2024 growth seen at 3.6%, says finance minister

BRASILIA, Jan 7 (Reuters) - Brazil's Finance Minister Fernando Haddad said on Tuesday that the country's economic growth likely hit 3.6% in 2024, while the primary deficit for the year is expected to have reached 0.1% of gross domestic product (GDP). This means the government of leftist President Luiz Inacio Lula da Silva probably met its goal of eliminating the primary deficit, excluding interest payments, as the target allows for a tolerance margin of 0.25% of GDP, or a deficit of up to 28.8 billion reais. Haddad emphasized the need for the government to improve its communication at a time when global markets remain highly "sensitive."

Oil rises on tighter OPEC supply, US jobs data

SINGAPORE, Jan 8 (Reuters) - Oil prices rose on Wednesday as supplies from Russia and OPEC members tightened while data showing an unexpected increase in U.S. jobs openings pointed to expanding economic activity and consequent growth in oil demand. Brent crude LCOc1 was up 28 cents, or 0.36%, to \$77.33 a barrel. U.S. West Texas Intermediate crude CLc1 climbed 40 cents, or 0.54%, to \$74.65. Oil output from the Organization of the Petroleum Exporting Countries fell in December after two months of increase, a Reuters survey showed. Field maintenance in the United Arab Emirates offset a Nigerian output hike and gains elsewhere in the group.