



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

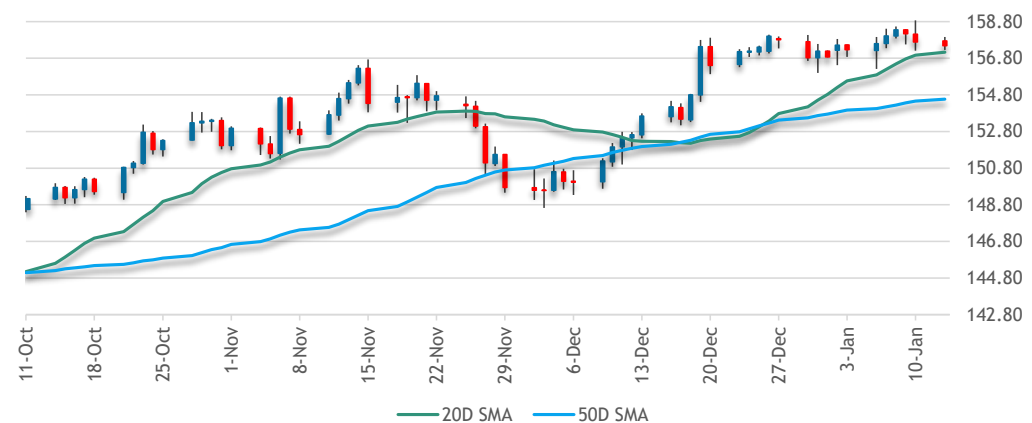
KFH Treasury



Report produced on
Mon, 13-Jan-2025

Forex Market

JAPANESE YEN



CLOSE **157.69**
1M %chg **3.78%**
3M %chg **6.15%**

USD/JPY-Uncertainty encourages repatriation, choppy in Asia

13 Jan 2025 07:19:44 AM

- * Trades off just 0.1% in a choppy 157.26/157.96 range on the Japanese holiday
- * Japan, Philippines, U.S. vow to deepen cooperation - Trump is the wild card
- * US inflation fears, soft EZ economy, Trump policy uncertainty weighs
- * The factors encourage Japanese investors to repatriate, capping USD/JPY
- * Charts - 5, 10 & 21-day moving averages climb, as momentum studies crest
- * Tenkan & Kijun lines edge higher as the daily cloud slips - neutral setup
- * 158.88 NY high and 159.51 falling upper 21 Day Bolli band first resistance
- * 156.98 21-day moving average and Dec 20 155.97 range base initial support
- * Tenkan line has been a magnet for the last two weeks - 157.56 today

EURO



CLOSE **1.0244**
1M %chg **-2.68%**
3M %chg **-6.32%**

EUR/USD-Poised above key support, as US inflation fears build

13 Jan 2025 07:08:36 AM

- * Off 0.05% with the U.S. dollar steady in a low-key start to the week in FX
- * Brent oil +1.8%- tougher U.S. sanctions on Russian supply to China and India
- * There is no significant Eurozone or US data - sentiment, news lead EUR/USD
- * Charts - daily momentum studies ease, 21-day Bollinger bands slide
- * 5, 10 & 21-DMA's slip, weekly moving averages fall - negative trending setup
- * Friday's 1.0312 top, then last week's 1.0437 high are initial resistance
- * 1.0212 low on Friday then 1.0195 0.618% of the 2022/2023 rise first supports
- * 1.0200 3.887 BLN and 1.0250 2.507 BLN are the close strikes for Jan 13th

Forex Market

POUND STERLING



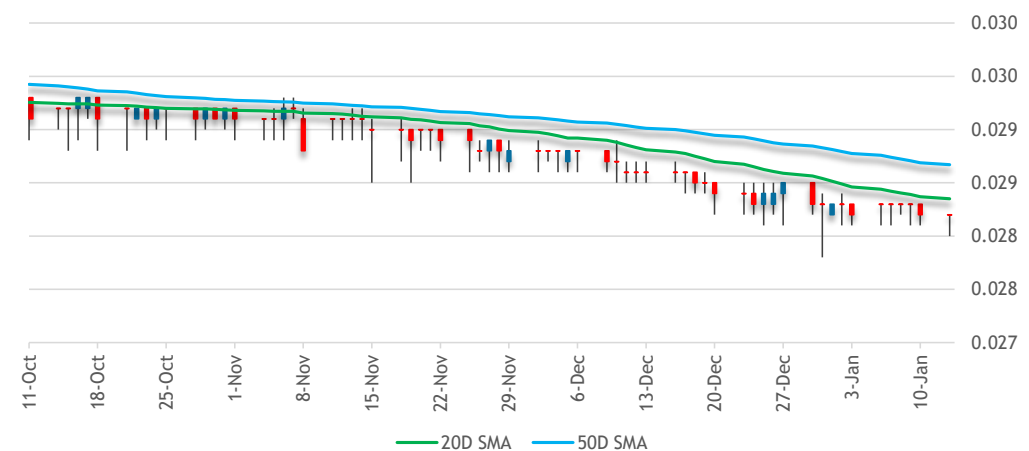
CLOSE **1.2204** 1M %chg **-4.42%** 3M %chg **-6.54%**

COMMENT-Sterling sinks with UK Gilts after above-forecast payroll data

10 Jan 2025 08:13:04 PM

Sterling could be facing even stiffer headwinds than it has been so far since the start of the year after well-above-forecast U.S. payrolls data lifted U.S. Treasury yields to new trend highs. Cable slid to a 14-month low at 1.2194 after the data, adding to the stark contrast between the way it has started the new year and its performance for much of 2024. Last year, the pound remained one of the better currency performers given high yields, which were predicated on BoE resolve to reduce high UK inflation. Now, high UK inflation and yields are seen as a significant headwind for UK consumers. Should global yields remain ascendant, sterling is likely to continue to fall, putting the Oct. 6 weekly low at 1.2039 in focus.

TURKISH LIRA



CLOSE **0.0282** 1M %chg **-1.74%** 3M %chg **-3.42%**

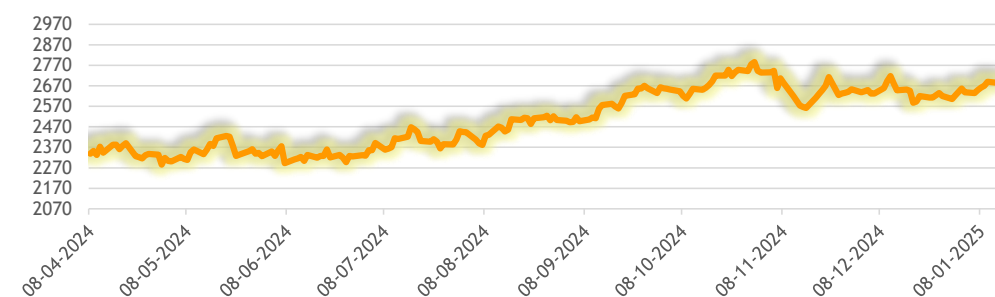
Turkey's unemployment rate edges down to 8.6% in November

10 Jan 2025 11:16:48 AM

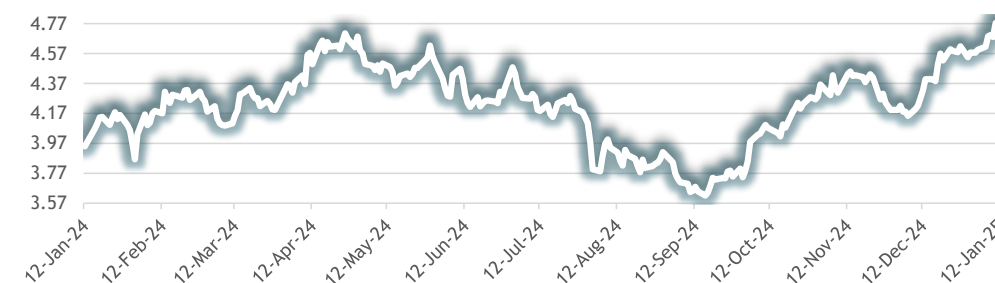
Jan 10 (Reuters) - Turkey's unemployment rate dropped by 0.1 percentage point month on month to 8.6% in November, official data showed on Friday. The Turkish Statistical Institute data showed the labour force participation rate dropped 0.4 percentage points to 54.2% while a seasonally adjusted measure of labour under-utilisation rose 0.6 percentage points to 28.2%.

Gold, US Treasury & Dollar Index

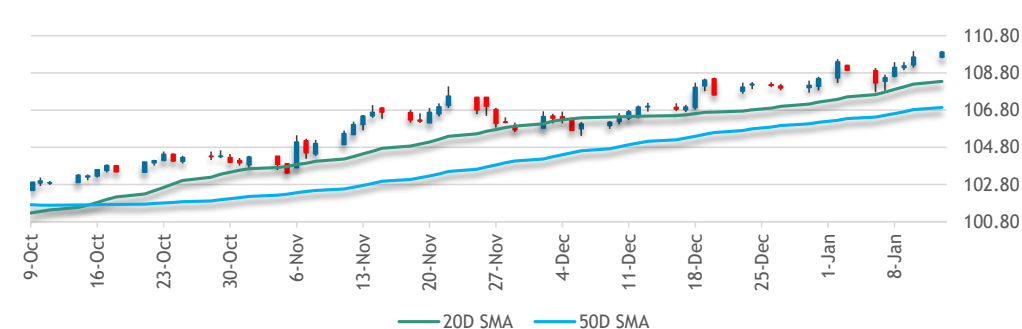
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.76

1M %chg

13.10%

3M %chg

16.61%

PRECIOUS-Gold holds steady amid Trump policy uncertainty, upbeat US data

13 Jan 2025 06:37:00 AM

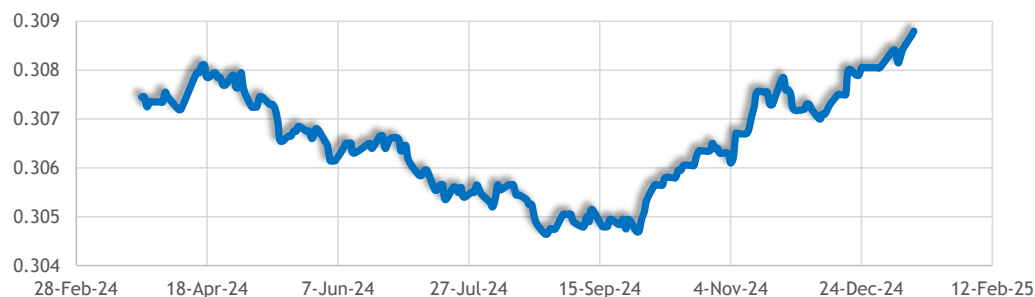
Jan 13 (Reuters) - Gold prices were flat on Monday as a stronger-than-expected U.S. jobs report reinforced the Federal Reserve's cautious stance on rate cuts, while uncertainty surrounding the incoming Trump administration's policies continued to fuel safe-haven demand. Spot gold XAU= held ground at \$2,689.09 per ounce, hovering near the one-month high hit on Friday. U.S. gold futures GGCv1 gained 0.2% to \$2,719.50. The upbeat jobs report on Friday supported the Fed's cautious stance toward further policy easing this year amid mounting fears that pledges by U.S. President-elect Donald Trump to impose or massively raise tariffs on imports could stoke inflation. Bullion is used as a hedge against inflation, although higher interest rates reduce the non-yielding asset's appeal. Spot silver XAG= fell 0.1% at \$30.36 per ounce, platinum XPT= dropped 0.3% to \$962.18, while palladium XPD= gained 0.3% to \$950.90.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Federal Budget,\$	US	13-Jan 00:30	Dec	-367.00	-62.00
Bank Lending YY	JP	13-Jan 05:20	Dec	3.0	
Bank Lending YY	JP	13-Jan 05:20	Dec	3.0	
Current Account Bal SA*	JP	13-Jan 05:20	Nov	24088	
Current Account NSA JPY	JP	13-Jan 05:20	Nov	2456.9	2691.1
Trade Bal Cust Basis SA*	JP	13-Jan 05:20	Nov	-1808.85	
Reuters Tankan N-Man Idx	JP	14-Jan 04:30	Jan	30	
Reuters Tankan Man'f Idx	JP	14-Jan 04:30	Jan	-1	
Broad Money*	JP	14-Jan 05:20	Dec	2186.7	
M2 Money Supply*	JP	14-Jan 05:20	Dec	12562474	
Economy Watchers Poll SA*	JP	14-Jan 10:30	Dec	49.4	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.03	1.0311	1.0214	1.0244	-0.52%
GBP	1.2307	1.2321	1.2189	1.2204	-0.81%
JPY	158.11	158.87	157.21	157.69	-0.28%
TRY	0.0283	0.0283	0.0281	0.0282	-0.35%
Dollar Idx	109.231	109.966	109.077	109.65	0.43%
Brent	77.26	80.75	77.03	79.76	3.69%
WTC	77.49	78.56	76.12	77.27	4.43%
Gold	2670.51	2697.83	2663.09	2689.63	0.73%
KWSE Index	7550.94	7565.46	7489.07	7491.75	-0.67%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.13	3M	3.94
SW	3.50	6M	4.13
1M	3.69	1Y	4.38

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30870

3M% CHG

0.87%

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-Jan-'25	2.00	1.90	0.10
TRY ON Lending Rate	26-Dec-'24	49.00	53.00	-4.00

KEY INTERNATIONAL STORIES

US labor market exits 2024 with strong job gains, drop in unemployment rate

WASHINGTON, Jan 10 (Reuters) - U.S. job growth unexpectedly accelerated in December while the unemployment rate fell to 4.1% as the labor market ended the year on a solid footing, reinforcing views that the Federal Reserve would keep interest rates unchanged this month. Nonfarm payrolls increased by 256,000 jobs last month, the most since March, the Labor Department's Bureau of Labor Statistics said. Data for October and November was revised to show 8,000 fewer jobs added than previously reported. Economists polled by Reuters had forecast payrolls advancing by 160,000 jobs, with estimates ranging from 120,000 to 200,000.

UK labour market freeze deepens as firms absorb tax rises, REC survey shows

Jan 9 (Reuters) - Britain's labour market cooled dramatically in December as employers continued to grapple with tax rises announced in the government's budget, according to a survey of recruiters on Thursday that showed vacancies slumping. The monthly index of demand for staff from the Recruitment and Employment Confederation and accountants KPMG fell in December to its lowest since August 2020, during the COVID-19 pandemic, at 42.8, down from 43.9 in November. Britain's economy stagnated in the three months to September and the Bank of England has estimated that it flatlined again in the fourth.

Germany's trade surplus with US reaches record high as Trump tariffs loom

BERLIN, Jan 10 (Reuters) - The German trade surplus with the United States is heading towards a record level just before U.S. President-elect Donald Trump arrives at the White House, an analysis of statistics office data showed. While the German statistics office published trade data for November, Reuters calculations of 11 month figures showed that between January and November German trade surplus with the U.S. exceeded 65 billion euros, well above previous 63.3 billion euro record reported for the full year 2023. Last month, he also said European Union countries would face more tariffs unless the bloc stepped up imports of U.S. oil and gas.

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China's export growth quickens amid trade risks, imports surprise

BEIJING, Jan 13 (Reuters) - China's export growth picked up steam in December, while imports recovered, closing out the year on a positive note as the world's second-largest economy braces for mounting trade risks with the incoming U.S. administration. Outbound shipments in December rose 10.7% year-on-year, customs data showed on Monday, beating 7.3% growth forecast in a Reuters poll of economists, and improving from November's 6.7% increase. Imports surprised to the upside with 1.0% growth, the strongest performance since July 2024. Economists had expected a 1.5% decline. Meanwhile, China's trade surplus grew to \$104.8 billion last month, up from \$97.4 billion in November.

Brazil's central bank reaffirms plans for two more 100-bps rate hikes

BRASILIA, Jan 10 (Reuters) - Brazil's central bank said on Friday it has been taking the necessary measures to ensure inflation meets the official target, reiterating it expects additional hikes of 100 basis points in each of its next two policy meetings. The message was delivered in a letter to justify missing the annual inflation target, after data released earlier in the day showed consumer prices in Latin America's largest economy rose by 4.83% in 2024, exceeding the 3% target with a tolerance band of 1.5 percentage points on either side. They added that headline inflation and core measures have remained above target and posted increases in the most recent readings.

Oil jumps on expectations new US sanctions to cut Russian supply

SINGAPORE, Jan 13 (Reuters) - Oil prices extended gains for a third session on Monday, with Brent rising above \$81 a barrel to its highest in more than four months, as wider U.S. sanctions are expected to affect Russian crude exports to top buyers China and India. Brent crude futures LCOc1 climbed \$1.48, or 1.86%, to \$81.24 a barrel after hitting an intraday high of \$81.49, the highest since Aug. 27. U.S. West Texas Intermediate crude CLc1 rose \$1.53, or 2% to \$78.10 a barrel after touching a high of \$78.39, the most since Oct. 8. Brent and WTI have risen by more than 6% since Jan. 8 and both contracts surged after the U.S. Treasury imposed wider sanctions on Russian oil on Friday.