



# Market Commentary KFH Treasury

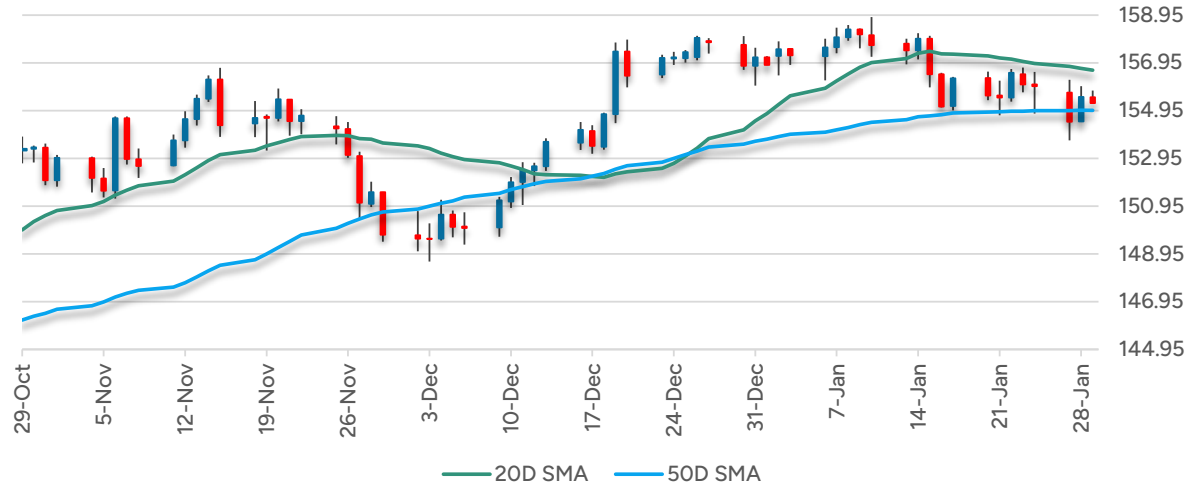
Report produced on  
29-Jan-2025



# Forex Market



## JAPANESE YEN



CLOSE **155.52** 1M %chg **-1.46%** 3M %chg **1.46%**

### USD/JPY, JPY cross mostly on hold into FOMC tonight

29 Jan 2025 07:52:02 AM

- \* USD/JPY, JPY crosses mostly on hold into tonight's FOMC policy announcement
- \* USD/JPY 155.35-79 EBS, in middle of recent core 154.50-156.50 range
- \* Base in place at 154.98 55-DMA for now, massive 155.00 option expiries too
- \* Resistance from ahead of 156.00, multiple recent daily tops above
- \* Soggy US yields to help cap upside, Treasury 2s @4.186%, 10s @4.521%
- \* AUD/JPY heaviest of lot, near recent lows, sub-97.88-98.94 daily Ichi cloud

## EURO



CLOSE **1.0428** 1M %chg **0.01%** 3M %chg **-3.55%**

### EUR/USD-Strikes contain at Lunar New Year - focus on the Fed

29 Jan 2025 06:57:27 AM

- \* Steady in a tight 1.0426-1.0434 range - most of Asia off for Lunar New Year
- \* Second-tier EZ data - little impact - Fed's FOMC meeting leads event-risk
- \* ECB rate decision on Thursday - EURIRPR prices a 25pt 2.75% cut at 94.55%
- \* Charts - neutral daily momentum studies, expanding 21-day Bollinger bands
- \* 5, 10 & 21-DMA's rise, neutral weekly moving averages - modest topside bias
- \* Targets a break of the 1.0535 December range top and 1.0630 Dec high test
- \* Jan 23rd 1.0372 base is pivotal support, then the 1.0266 Jan 20th low
- \* 1.0400 1.062 BLN, 1.0425/30 1.507 BLN, 1.0450 816mIn close Jan 29th strikes

# Forex Market



## POUND STERLING



CLOSE

**1.2441**

1M %chg

**-1.10%**

3M %chg

**-4.09%**

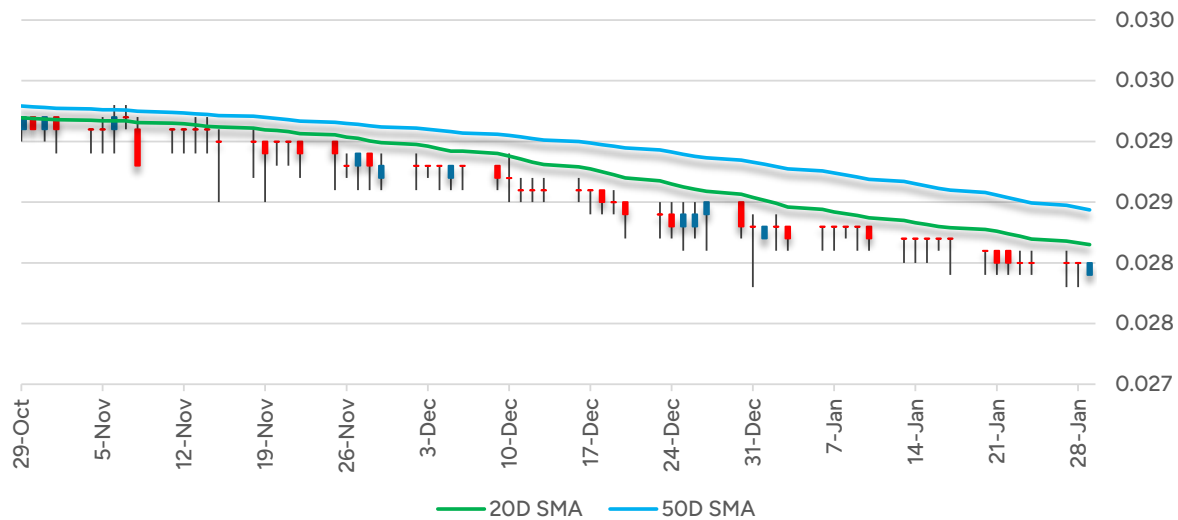
### GBP/USD-Upbeat Reeves, BoE's Bailey speaks, FOMC leads

29 Jan 2025 06:51:07 AM

- \* -0.05% in a 1.2435-1.2445 range with most of Asia closed for Lunar New Year
- \* BoE Gov Bailey will give evidence at the Financial Stability Report
- \* There is no significant UK data - FOMC statement and press conference leads
- \* Fin Min Reeves to change narrative from prior gov't errors to upbeat outlook
- \* Charts - daily momentum studies rise, 21-day Bollinger bands contract
- \* 5 & 10-DMAs climb, weeklies remain bearish - positive short-term bias
- \* Tuesday's 1.2415 low, then 1.2356 21-day moving average are initial supports
- \* Targets a test of the 1.2575 Jan 7 high, and then the 1.2616 2025 top
- \* Close below the 1.2362 5-DMA and the 1.2356 21-DMA ends the topside bias



## TURKISH LIRA



CLOSE

**0.0280**

1M %chg

**-1.75%**

3M %chg

**-3.78%**

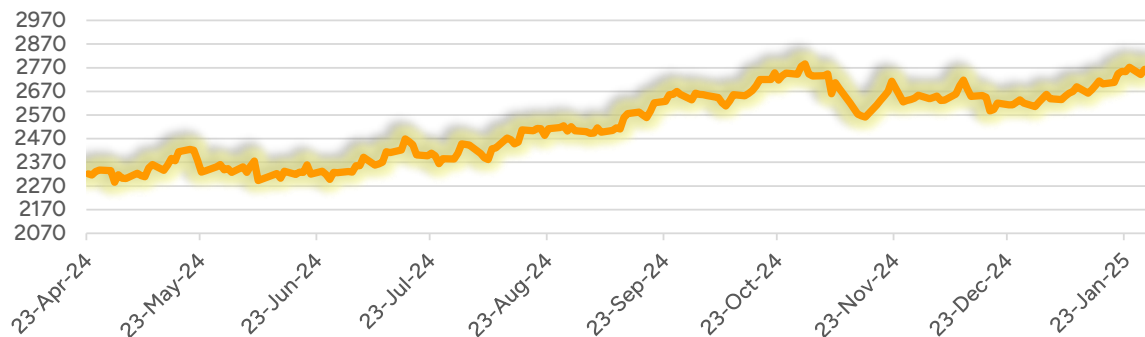
### Turkey - Factors To Watch

29 Jan 2025 08:18:49 AM

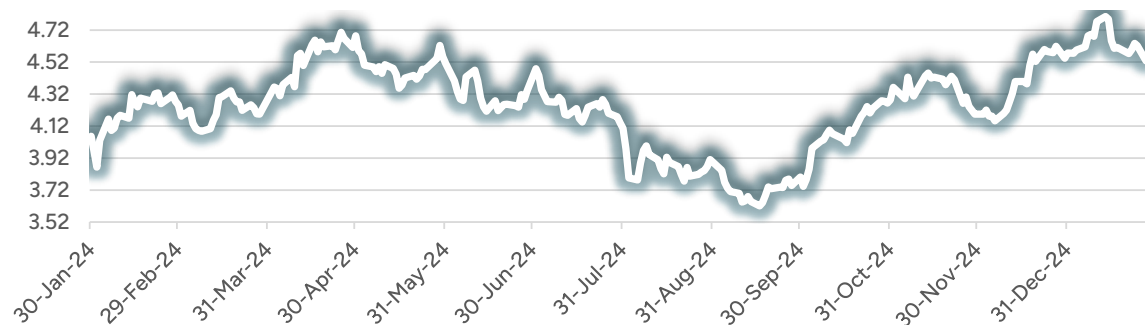
ANKARA, Jan 29 (Reuters) - The lira TRYTOM=D3 was quoted at 35.74 against the U.S. dollar, after closing at 35.7205 on Tuesday. The main BIST 100 share index .XU100 closed 1.24% higher at 10,121.77 points on Tuesday.

# Gold, US Treasury & Dollar Index

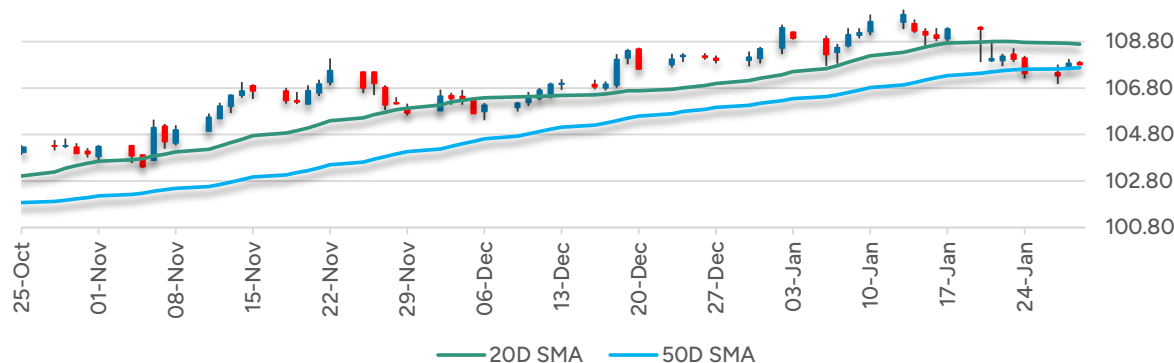
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.52**

1M %chg

**-1.52%**

3M %chg

**6.33%**

### PRECIOUS-Gold holds steady as investors eye Fed decision, Trump tariff moves

29 Jan 2025 07:45:30 AM

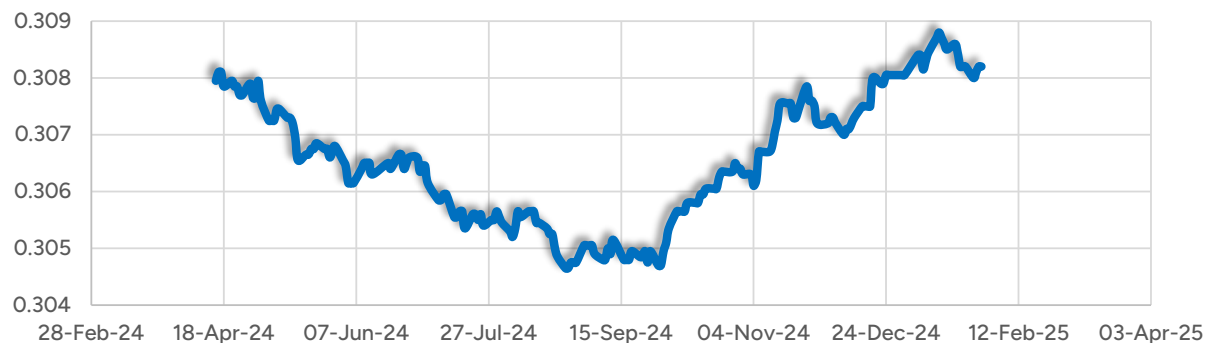
Jan 29 (Reuters) - Gold prices were little changed on Wednesday as market participants awaited the U.S. interest rate verdict, while the spotlight was also on President Donald Trump's trade policies amid fresh tariff threats. Spot gold held its ground at \$2,762.49 per ounce. U.S. gold futures added 0.1% to \$2,769.90. Last week, prices were trading near record-high levels but they fell over 1% on Monday as investors rushed to liquidate bullion to offset losses triggered by a sharp pullback in technology stocks, spurred by DeepSeek's low-cost, low-power AI model. Gold typically acts as a safe-haven asset during times of uncertainty and trade wars. However, higher interest rates could dampen its appeal as it yields no interest. Top bullion consumer China's markets remain closed for the Lunar New Year holidays. Spot silver was flat at \$30.38 per ounce, platinum steadied at \$941 and palladium dropped 0.8% to \$947.27.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Foreign Bond Investment	JP	29-Jan 05:20	w/e	819.3	
Foreign Invest JP Bonds*	JP	29-Jan 05:20	w/e	876.1	
Foreign Stock Investment*	JP	29-Jan 05:20	w/e	489.8	
Foreign Invest JP Stock	JP	29-Jan 05:20	w/e	-66.1	
Consumer Confid. Index*	JP	29-Jan 10:30	Jan	36.2	
Loans to Households*	EU	29-Jan 14:30	Dec	0.9	
Loans to Non-Fin*	EU	29-Jan 14:30	Dec	1.0	
Money-M3 Annual Grwth*	EU	29-Jan 14:30	Dec	3.8	3.8
MBA 30-Yr Mortgage Rate	US	29-Jan 17:30	w/e	7.02	
MBA Mortgage Applications	US	29-Jan 17:30	w/e	0.1	
Mortgage Market Index	US	29-Jan 17:30	w/e	224.6	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0492	1.0493	1.0413	1.0428	-0.60%
GBP	1.2493	1.2499	1.2411	1.2441	-0.44%
JPY	154.5	155.97	154.48	155.52	0.67%
TRY	0.028	0.028	0.0278	0.028	0.00%
Dollar Idx	107.711	108.054	107.686	107.866	0.49%
Brent	77.01	78.18	76.85	77.49	0.53%
WTC	74.44	74.66	73.28	74.15	0.87%
Gold	2742.27	2764.86	2734.35	2763.11	0.80%
KWSE Index	7840.64	7845.24	7745.13	7796.41	-0.44%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.13	3M	3.94
SW	3.50	6M	4.19
1M	3.75	1Y	4.38

## CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

**0.30820**

3M% CHG

**0.55%**

## 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	23-Jan-'25	46.50	49.00	-2.50

## KEY INTERNATIONAL STORIES

### US businesses boosted equipment spending heading into 2025

WASHINGTON, Jan 28 (Reuters) - New orders for key U.S.-manufactured capital goods increased more than expected in December, but business spending on equipment was likely muted in the fourth quarter after a strike at Boeing disrupted aircraft deliveries. Core capital goods orders advanced 0.6% on a year-on-year basis. Shipments of core capital goods increased 0.6% after climbing 0.4% in November. Orders for transportation equipment dropped 7.4%, amid a 45.7% tumble in commercial aircraft orders. Non-defense capital goods orders fell 7.8% after dropping 3.2% in November.

### UK's Reeves gears up for fight to get economy growing again

LONDON, Jan 28 (Reuters) - British finance minister Rachel Reeves will say on Wednesday that she is ready for a fight to push forward her plans to speed up the country's slow-moving economy that have grown in urgency after this month's bond market slump. A surge in global government borrowing costs earlier this month ahead of the inauguration of U.S. President Donald Trump - which hit the UK particularly hard - only increased the pressure on Reeves to get the economy moving again. The Bank of England has forecast that Britain's economy did not grow at all in the second half of 2024.

### Euro zone banks tighten companies' access to credit, ECB survey shows

FRANKFURT, Jan 28 (Reuters) - Euro zone banks tightened firms' access to credit last quarter and expect further tightening in the first three months of 2025, a European Central Bank survey showed on Tuesday, reinforcing the case for more interest rate cuts as the economy slows. Credit standards tightened in all sectors but especially in commercial real estate, wholesale and retail trade, construction and energy intensive manufacturing, the bank added. In the current quarter, banks expect to tighten credit standards for both households and firms, suggesting that lending growth will remain weak.

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### Australia inflation cools in Q4, opens door to rate cut

SYDNEY, Jan 29 (Reuters) - Australian consumer prices rose at the slowest pace in almost four years in the December quarter, while a pullback in housing costs helped cool core inflation and open the door to a cut in interest rates as early as next month. Annual inflation dropped to 2.4%, from 2.8% the previous quarter and a peak of 7.8% in late 2022, leaving it bang in the middle of the RBA's 2-3% target band. Wednesday's data showed prices in the services sector did ease somewhat to 4.3% in the fourth quarter, while inflation for goods dropped to the lowest since 2016 at 0.8%.

### Brazil's disappointing tax settlement revenues clouds 2025 budget outlook

BRASILIA, Jan 28 (Reuters) - Brazil's lower-than-expected revenue from 2024 tax settlements, unveiled, casts a shadow over this year's budget which also relies heavily on such measures, further clouding the government's questionable fiscal outlook. Latin Americas' largest economy raised 5.4 billion reais (\$919.96 million) through settlements negotiated between taxpayers and the federal revenue service last year, far below the initially projected 31 billion reais. Revenue collected from rulings at Brazil's Administrative Council of Tax Appeals (CARF) last year totaled just 307 million reais, a tiny fraction of the 55 billion reais the government had forecast.

### Oil prices steady as investors weigh impact of Trump tariffs

TOKYO, Jan 29 (Reuters) - Oil prices steadied on Wednesday as investors weighed the impact of potential U.S. tariffs on Canadian and Mexican imports, while largely shrugging off an increase in U.S. weekly crude inventory. Brent crude futures fell 2 cents to \$77.47 a barrel while U.S. crude futures were at \$73.81 a barrel, up 4 cents, or 0.1%. Benchmarks fell to multi-week lows early this week as news of surging interest in Chinese startup DeepSeek's low-cost artificial intelligence (AI) model prompted concerns over energy demand to power data centres, rattling the overall energy sector, while weak economic data from China further soured the demand outlook.