



# Market Commentary

## KFH Treasury

Report produced on  
18-Mar-2025



# Forex Market

## JAPANESE YEN



CLOSE  
**149.21**

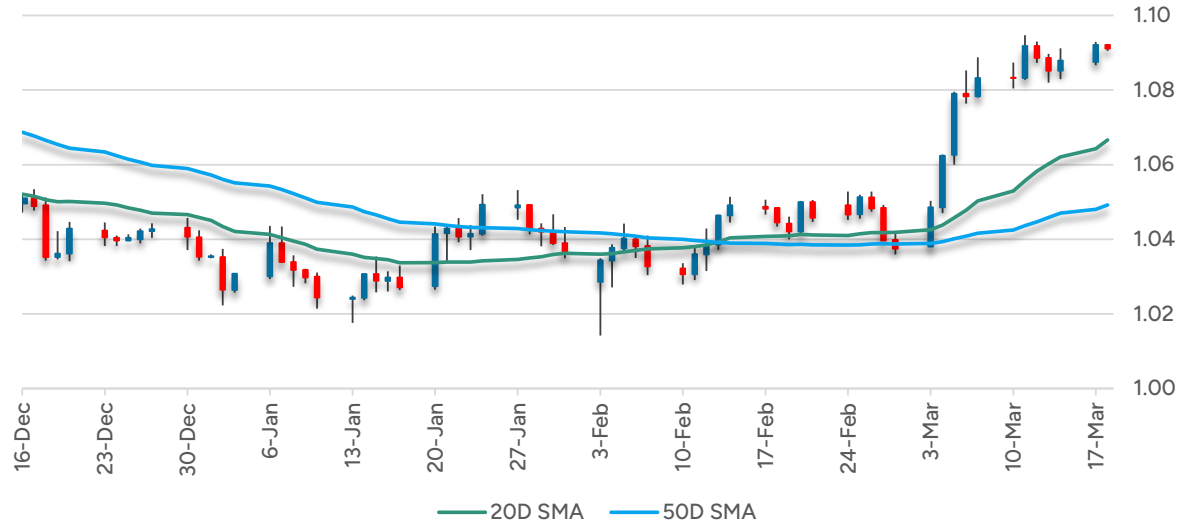
1M %chg  
**-1.51%**

3M %chg  
**-2.78%**

**USD/JPY and JPY crosses higher on short-covering, risk-on**  
18 Mar 2025 07:25:43 AM

- \* USD/JPY and JPY crosses all better bid in Asia on short-covering
- \* Market risk-on and some haven plays into JPY being reversed pre-BOJ tomorrow
- \* FOMC and other central bank policy announcements this week too
- \* USD/JPY deeper into 149 handle, Asia 149.17 to 149.73 EBS
- \* Towards 150.00, offers on way, massive \$1.6 bln option expiries 150.00 today
- \* Japanese exporters also tipped to be selling on way up
- \* Stops eyed above 150.00 but once taken out pair could ease back

## EURO



CLOSE  
**1.0921**

1M %chg  
**4.19%**

3M %chg  
**4.12%**

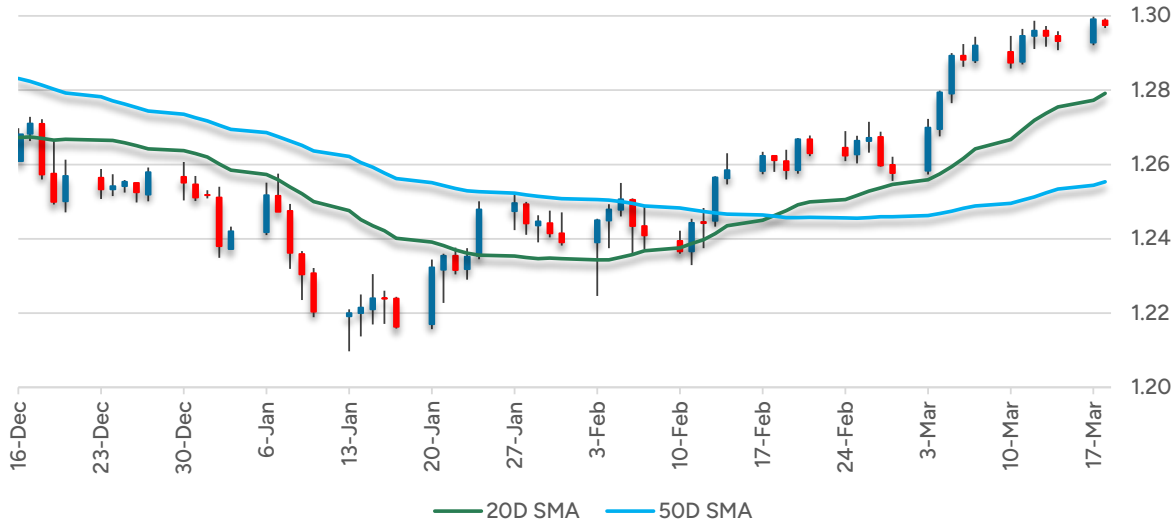
**EUR/USD-German stimulus vote goes ahead - positive setup**  
18 Mar 2025 03:34:08 AM

- \* Steady after closing up 0.35% with the U.S. dollar off 0.3%
- \* Trump and Putin to discuss power plants, land in talks to end Ukraine war
- \* German court throws out new challenges against Merz's borrowing plans
- \* The decision suggests the German stimulus measures will pass today
- \* Charts - 5, 10 & 21-day moving averages climb, as 21-day Bollinger bands rise
- \* Positive daily momentum studies - daily signals retain the topside bias
- \* 1.0937 Nov 2024 high, then 1.0980 0.786% Sep/Jan fall are first resistance

# Forex Market



## POUND STERLING



CLOSE

**1.2991**

1M %chg

**2.92%**

3M %chg

**2.21%**

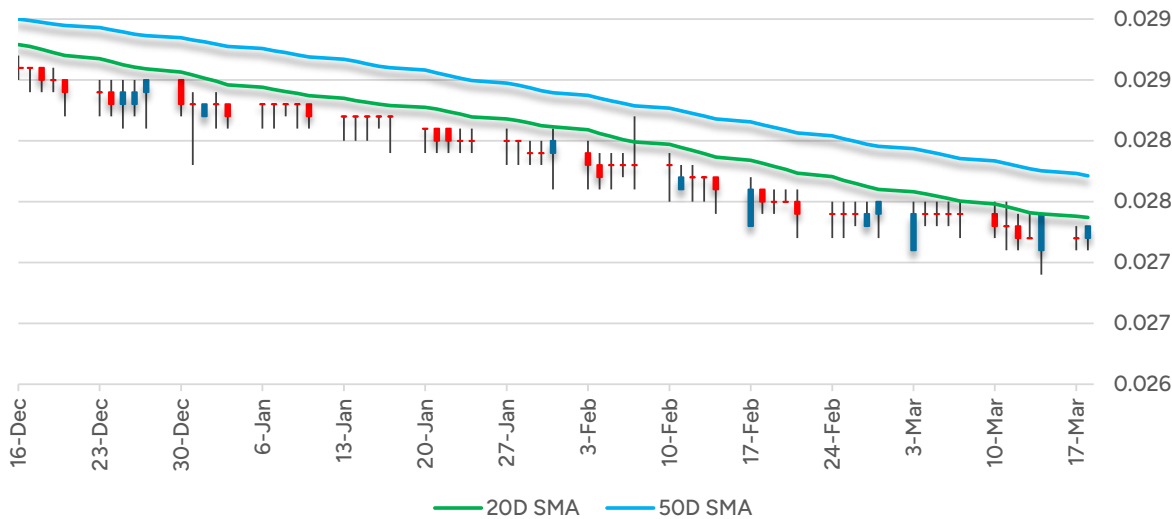
### GBP/USD-Plenty of event risk, signals suggest further gains

18 Mar 2025 07:00:54 AM

- \* Off 0.1% at the base of a 1.2974-1.2992 range - light FX Matching interest
- \* Markets pause for breath ahead of a slew of event risk in the coming week
- \* German stimulus vote tonight, BOJ, FED decisions tomorrow, then SNB & BOE
- \* Bank of England likely to keep rates on hold as global uncertainty mounts
- \* Charts - 5, 10 & 21-day MAs climb, as 21-day Bollinger bands head north
- \* Positive daily momentum studies - the Feb/March uptrend remains in play
- \* Last week's 1.2862 base and then the 1.2794 200 DMA are initial supports
- \* The 1.3046 range top in November 2024 is the next significant resistance



## TURKISH LIRA



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**0.0272**

1M %chg

**-1.45%**

3M %chg

**-4.90%**

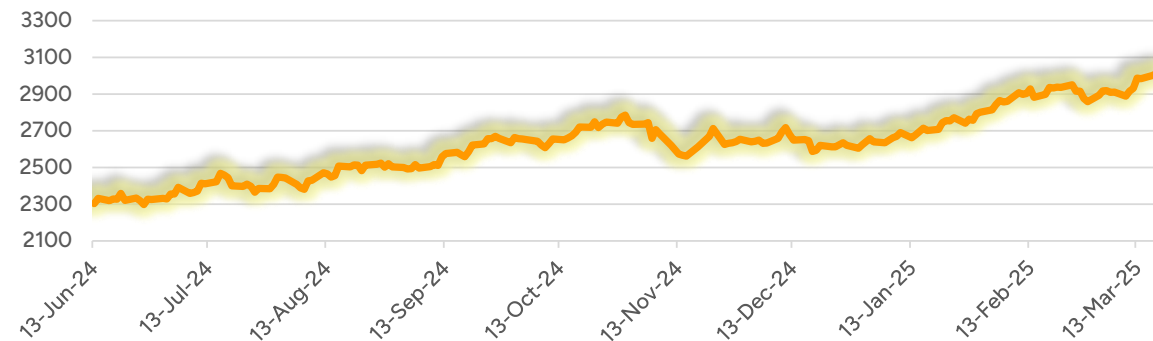
### Turkish February budget deficit 310.1 billion lira, finance ministry says

17 Mar 2025 12:29:40 PM

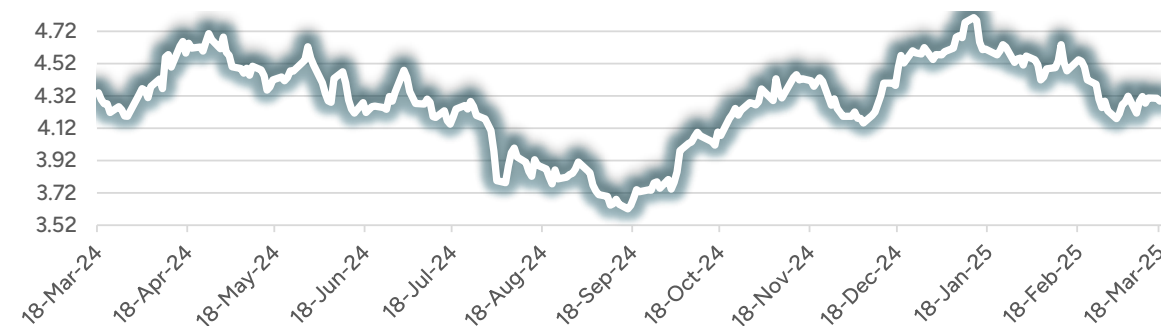
ISTANBUL, March 17 (Reuters) - The Turkish budget showed a deficit of 310.1 billion lira (\$8.47 billion) while there was a primary deficit of 170.4 billion lira in February, the Treasury and Finance Ministry said on Monday.

# Gold, US Treasury & Dollar Index

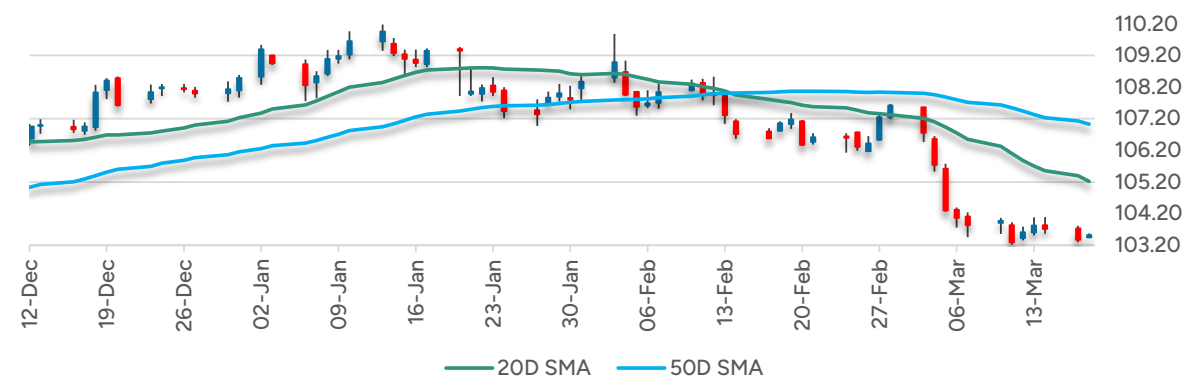
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.29**

1M %chg

**-3.80%**

3M %chg

**-1.80%**

### PRECIOUS-Gold hits record high as tariff uncertainty fuels safe-haven demand

18 Mar 2025 08:32:47 AM

March 18 (Reuters) - Gold prices scaled a record peak above the crucial \$3,000-mark on Tuesday for the second time within a week, as investors sought cover from economic concerns fuelled by U.S. President Donald Trump's tariff policies. Spot gold was up 0.4% at \$3,012.74 an ounce after hitting a record high of \$3,014.83 per ounce earlier in the session. Gold rose above the \$3,000/oz milestone for the first time on Friday. U.S. gold futures rose 0.5% to \$3,021.70. "Gold is moving higher on account of a weaker dollar and continued tariff uncertainties ... With Gold at record highs there is a lot of technical and chart based buying that kicks in since there is no resistance apparent on the charts," said Marex analyst Edward Meir. The U.S. dollar index wallowed near a five-month trough, making gold cheaper for overseas buyers. Spot silver gained 0.2% to \$33.9 an ounce, platinum added 0.4% to \$1,004.0 and palladium rose 0.6% to \$970.49.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Reuters Tankan N-Man Idx	JP	18-Mar 04:30	Mar	30	
Reuters Tankan Man'f Idx	JP	18-Mar 04:30	Mar	3	
Exports YY	JP	18-Mar 05:20	Feb	7.2	12.1
Imports YY	JP	18-Mar 05:20	Feb	16.7	0.1
Machinery Orders MM *	JP	18-Mar 05:20	Jan	-1.2	-0.5
Machinery Orders YY *	JP	18-Mar 05:20	Jan	4.3	6.9
Trade Balance Total Yen	JP	18-Mar 05:20	Feb	-2758.8	722.8
Tertiary Ind Act NSA*	JP	18-Mar 10:00	Jan	7.1	
Eurostat Trade NSA, Eur	EU	18-Mar 15:30	Jan	15.5	
Total Trade Balance SA*	EU	18-Mar 15:30	Jan	14.60	
Building Permits: Number *	US	18-Mar 18:00	Feb	1.473	1.453

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.09	1.09	1.09	1.09	0.39%
GBP	1.29	1.30	1.29	1.30	0.46%
JPY	148.32	149.28	148.38	149.21	0.40%
TRY	0.03	0.03	0.03	0.03	-0.73%
Dollar Idx	103.74	103.81	103.30	103.37	-0.34%
Brent	70.70	71.80	70.68	71.07	0.69%
WTC	68.24	68.35	67.50	67.84	0.61%
Gold	2984.30	3001.87	2981.76	3001.47	0.57%
KWSE Index	7897.05	7900.12	7825.94	7876.56	-0.05%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.13	3M	3.94
SW	3.44	6M	4.13
1M	3.69	1Y	4.38

## CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

**0.30800**

3M% CHG

**0.16%**

## POLICY RATES INDICATOR

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

## SOFR RATES

Tenor	Value	Tenor	Value
ON	4.30	3M	4.37
1W	4.33	6M	4.61
1M	4.35	1Y	5.07
2M	4.35		

## 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	06-Mar-'25	2.65	2.90	-0.25
BOE Bank Rate	06-Feb-'25	4.50	4.50	0.00
BOJ Prime Rate	11-Mar-'25	2.35	2.20	0.15
TRY ON Lending Rate	06-Mar-'25	44.00	46.50	-2.50

## KEY INTERNATIONAL STORIES

### US retail sales rise slightly as economic uncertainty mounts

WASHINGTON, March 17 (Reuters) - U.S. retail sales rebounded marginally in February as consumers pulled back on discretionary spending, reinforcing the growing uncertainty over the economy against the backdrop of tariffs and mass firings of federal government workers. Retail sales rose 0.2% last month after a downwardly revised 1.2% decline in January, which was the biggest drop since November 2022, the Commerce Department's Census Bureau said. Economists polled by Reuters had forecast retail sales, advancing 0.6% after a previously reported 0.9% drop in January.

### Britain's growth risks put bond investors on high alert

LONDON, March 17 (Reuters) - Britain's public finances, strained by growing debt and sluggish growth, face a crucial test this month that investors say could prompt another market shock to an economy that is increasingly reliant on fickle foreign funds. Finance minister Rachel Reeves will deliver an update on the public finances on March 26, based on an assessment by the Office for Budget Responsibility. Britain's economy expanded just 0.1% in the fourth quarter of 2024 and output declined unexpectedly in January. The Bank of England last month halved its 2025 growth forecast to 0.75%.

### Germany's Ifo institute cuts 2025 economic growth forecast to 0.2%

BERLIN, March 17 (Reuters) - Germany's Ifo institute cut its forecast for economic growth in Europe's largest economy to 0.2% on Monday, citing subdued consumer sentiment and companies' reluctance to invest. Some improvement is expected next year when growth is forecast to rise by 0.8%, said Ifo. Ifo had forecast in December that the economy would grow by 0.4% this year if it fails to overcome structural challenges. Ifo added that there were some forecast risks in light of upcoming economic policy decisions in Germany and the United States.

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### China retail sales pick up as Beijing turns to consumers to ease US trade pressure

BEIJING, March 17 (Reuters) - China's retail sales growth quickened in January-February in a welcome sign for policymakers' efforts to boost domestic consumption even as joblessness rose and factory output eased, underscoring the strains on an economy facing fresh U.S. trade pressure. Data released by the National Bureau of Statistics (NBS) on Monday showed retail sales, a gauge of consumption, rose 4.0% in the January-February period, better than a 3.7% rise in December and marking the quickest rate since November 2024. Analysts had expected retail sales to grow 4.0%.

### Brazil January economic activity beats estimates ahead of rate decision

BRASILIA, March 17 (Reuters) - Brazil's economic activity grew more than expected in January, central bank data showed on Monday, ahead of a monetary policy meeting in which the strength of economic activity is expected to be a key factor in determining the bank's next steps. The IBC-Br index, a leading indicator of gross domestic product (GDP), rose 0.9% in seasonally adjusted terms from December, exceeding all forecasts in a Reuters poll of economists. The central bank began a tightening cycle in September and has raised its benchmark interest rate by a total of 275 basis points to 13.25% to curb inflation.

### Oil gains on Mideast risks, China stimulus plan and data

BEIJING/SINGAPORE, March 18 (Reuters) - Oil prices rose slightly on Tuesday, supported by instability in the Middle East as well as China's stimulus plans and data, although global growth concerns, U.S. tariffs and Russia-Ukraine ceasefire talks curbed gains. Brent futures ticked up 17 cents, or 0.2%, to stand at \$71.24 a barrel, while U.S. West Texas Intermediate crude futures rose 14 cents, or 0.2%, to \$67.72 a barrel. Crude oil throughput in China, rose 2.1% in January and February from a year earlier, supported by a new refinery and holiday travel, official data showed on Monday.