



Market Commentary KFH Treasury

Report produced on
10-Mar-2025



Forex Market

JAPANESE YEN



CLOSE
148.03

1M %chg
-2.23%

3M %chg
-1.33%

USD/JPY in range above Friday low, JPY crosses again buoyant

10 Mar 2025 07:47:53 AM

- * USD/JPY in 147.10-87 EBS range in Asia, heavy early but bounce from low
- * Support in place ahead of 146.94 low Friday, stops eyed sub-146.90 however
- * Some Japanese importer buys into today's Tokyo fix, short-covering too
- * VMarket heavy from area of hourly Ichimoku kijun/tenkan at 147.57/60
- * Massive \$2.1 bln option expiries today between 147.40-75, anchoring market
- * Descending hourly Ichimoku cloud above between 148.05-74
- * Firm JGB yields remain yen supportive, US yields down from Friday highs

EURO



CLOSE
1.0832

1M %chg
4.89%

3M %chg
2.50%

EUR/USD-Cautious start to the week, Germany on track

10 Mar 2025 07:07:12 AM

- * Steady with the USD flat after falling early - E-minis and UST yields slip
- * Caution in Asia as Trump won't rule out a recession from his tariff moves
- * Charts- 5, 10 & 21-day moving averages climb, as 21-day Bolli bands expand
- * Positive daily momentum studies - daily signals show a strong topside bias
- * Friday's 1.0888 top, then the 1.0937 Nov 2024 high are the next resistance
- * Thursday's 1.0766 low, and then the 1.0722 200 DMA are initial supports
- * 1.0825 489 mln, 1.0850 548mln close significant March 10th strikes

Forex Market



POUND STERLING



CLOSE

1.2920

1M %chg

4.12%

3M %chg

1.40%

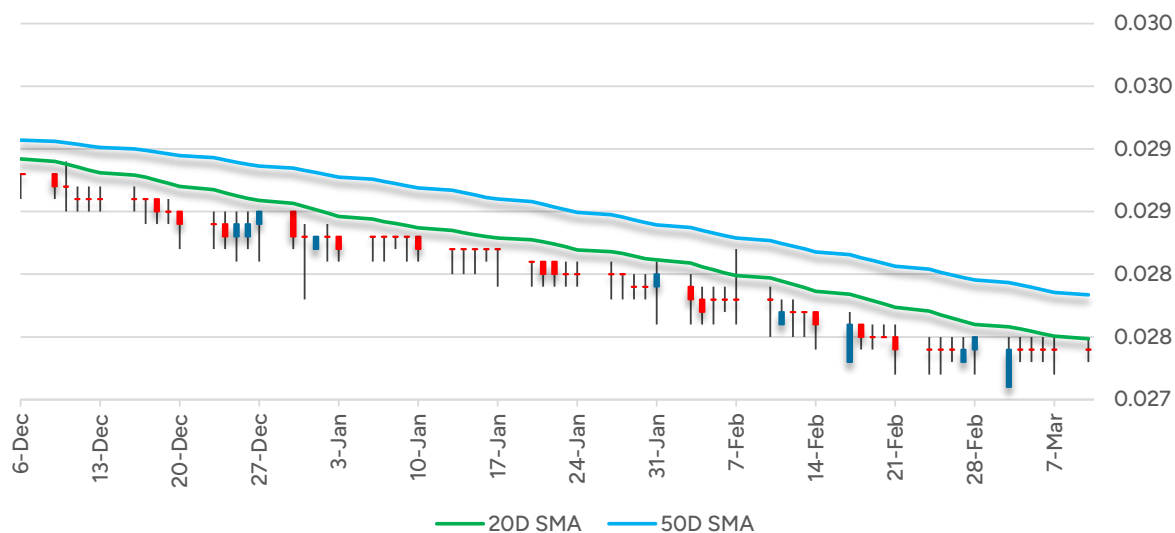
COMMENT-Just a flesh wound as sterling with eyes on November highs

06 Mar 2025 07:47:47 PM

If upcoming data supports the current steady Fed and BoE policy narrative, sterling bulls are likely to target early-November highs at 1.3046 and then October peaks beyond 1.31. Sterling gave up earlier gains, pulling back from an overnight 4-month high at 1.2924, in a consolidative move that had been expected. Thursday's more hawkish ECB 25bp rate cut in the wake of the German fiscal boost, combined with rising gilt yields and a less dovish BoE policy outlook, should allow GBP/USD to continue its upward momentum when backing and filling abates. For now, sterling finds resistance at 1.2924, matching the 61.8% Fib retracement of the Sept.-January decline. While the pound's rise from its January 13 low at 1.21 might trigger profit-taking.



TURKISH LIRA



CLOSE

0.0274

1M %chg

-1.44%

3M %chg

-4.86%

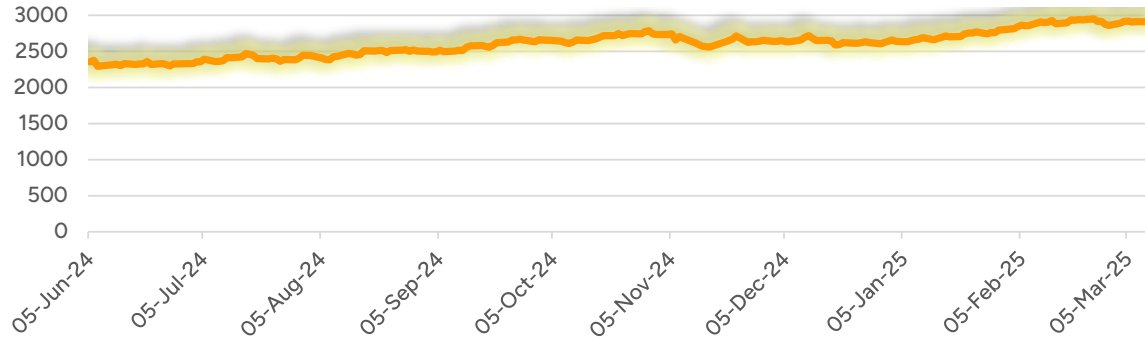
Turkey - Factors To Watch

10 Mar 2025 08:15:06 AM

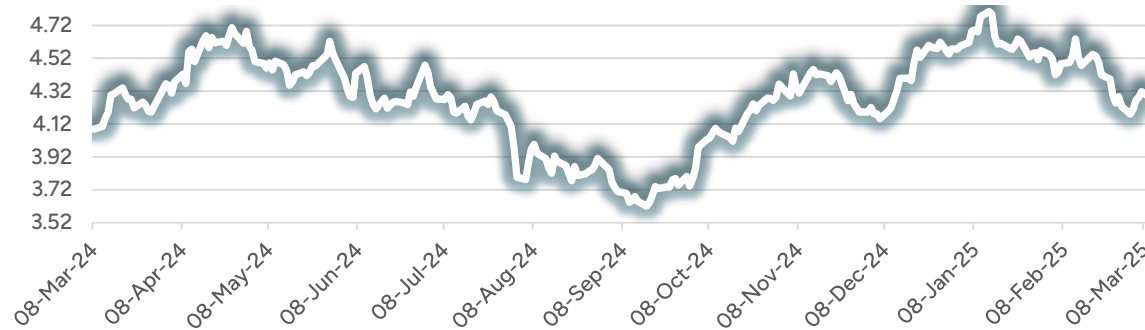
ISTANBUL, March 10 (Reuters) - The lira was quoted at 36.5000-36.5405 against the U.S. dollar, after closing at 36.5200 on Friday. The main BIST 100 share index closed 0.46% higher at 10,507.11 points on Friday. President Erdogan said on Friday that the central bank's decision to cut its key interest rate by 250 basis points to 42.5% last Thursday was a step in the right direction.

Gold, US Treasury & Dollar Index

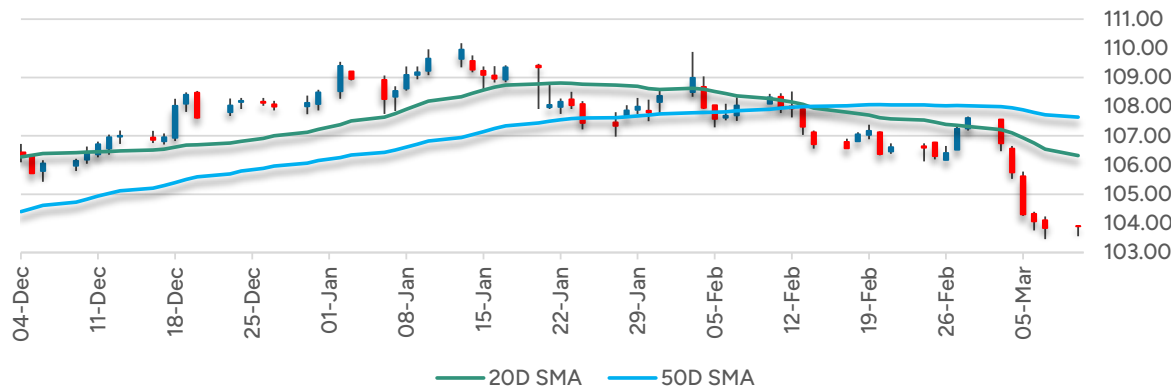
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.28

1M %chg

-3.77%

3M %chg

3.97%

PRECIOUS-Gold edges higher on dollar weakness, safe-haven flows

10 Mar 2025 07:02:05 AM

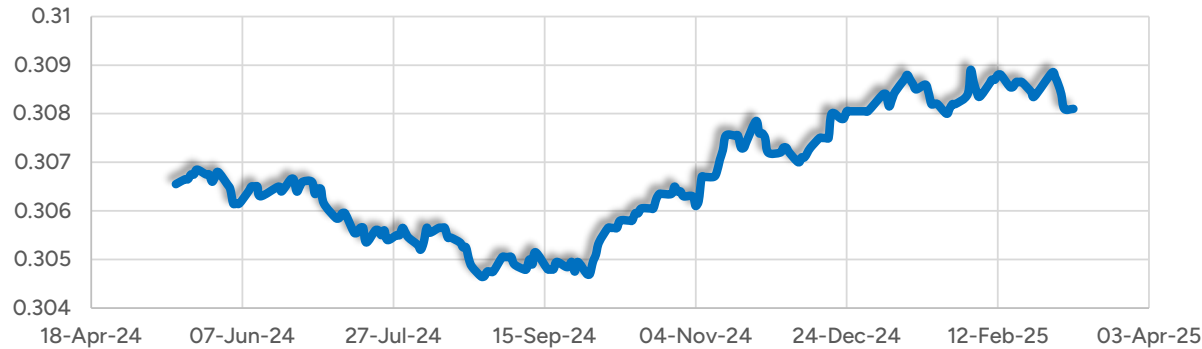
March 10 (Reuters) -Gold prices inched higher on Monday, supported by a weaker dollar and safe-haven flows amid fears of a global trade conflict, while investors awaited further signals to gauge the U.S. Federal Reserve's interest rate stance. "There are mounting downside risks to growth, while U.S. foreign policy is also a source of uncertainty, boosting the appeal for gold," Capital.com's financial market analyst Kyle Rodda said. "I think \$3,000 is a level we'll breach soon - probably in the next couple of months at the latest." Trump imposed new 25% tariffs on imports from Mexico and Canada last Tuesday, along with fresh duties on Chinese goods. Gold is seen as a hedge against political risks and inflation, but higher interest rates dull the non-yielding asset's allure. Spot gold was up 0.1% at \$2,912.79 an ounce, while U.S. gold futures rose 0.2% to \$2,919.40. Spot silver fell 0.3% to \$32.42 an ounce, platinum was steady at \$962.55, and palladium lost 0.4% to \$944.73.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
All Household Spending MM*	JP	10/Mar 05:00	Jan	2.3	-1.9
All Household Spending YY*	JP	10/Mar 05:00	Jan	2.7	3.6
Broad Money*	JP	10/Mar 05:20	Feb	2205.2	
GDP Deflator YY Final*	JP	10/Mar 05:20	Q4	2.8	
GDP Cap Ex Rev QQ	JP	10/Mar 05:20	Q4	0.5	0.3
GDP Rev QQ Annualised	JP	10/Mar 05:20	Q4	2.8	2.8
GDP QQ Pvt Consmp Revised	JP	10/Mar 05:20	Q4	0.1	
GDP Revised QQ	JP	10/Mar 05:20	Q4	0.7	0.7
GDP QQ External Demand R	JP	10/Mar 05:20	Q4	0.7	
M2 Money Supply*	JP	10/Mar 05:20	Feb	12626961	
Coincident Index*	JP	10/Mar 10:30	Jan	1.4	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0783	1.0888	1.078	1.0832	0.45%
GBP	1.288	1.2944	1.2873	1.292	0.29%
JPY	147.98	148.2	146.94	148.03	0.05%
TRY	0.0274	0.0275	0.0272	0.0274	0.00%
Dollar Idx	104.11	104.238	103.458	103.838	-0.22%
Brent	69.43	71.4	69.3	70.36	1.30%
WTC	67.4	68.47	66.99	67.29	1.01%
Gold	2910.31	2930.33	2895.99	2910.79	0.03%
KWSE Index	8103.43	8107.72	8040.9	8041.88	-0.95%

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

0.30810

3M% CHG

0.29%

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

SOFR RATES

Tenor	Value	Tenor	Value
ON	4.34	3M	4.41
1W	4.36	6M	4.66
1M	4.35	1Y	5.10
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	12/Feb/'25	2.20	2.00	0.20
TRY ON Lending Rate	06/Mar/'25	44.00	46.50	-2.50

KEY INTERNATIONAL STORIES

Policy uncertainty tests US labor market resilience

WASHINGTON, March 7 (Reuters) - U.S. job growth picked up in February, but cracks are emerging in the once-resilient labor market amid a chaotic trade policy and deep federal government spending cuts that threaten to disrupt economic growth this year. Nonfarm payrolls increased by 151,000 jobs last month after rising by a downwardly revised 125,000 in January, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast payrolls advancing by 160,000 jobs after a previously reported 143,000 gain in January.

UK house prices unexpectedly dip in February, Halifax data shows

LONDON, March 7 (Reuters) - House prices in Britain unexpectedly fell in February as demand faded from buyers who were rushing to purchase homes before the end of tax incentives on March 31, mortgage lender Halifax said on Friday. House prices slipped 0.1% in February, after rising by a revised 0.6% in January, and were below all forecasts in a Reuters poll of economists. Both monthly and annual data for January were revised slightly lower. Halifax's gauge of house prices compared with a year earlier was 2.9% higher, the same rate as in January, and slightly below economists' forecast of a 3.1% rise.

Canada's February unemployment rate unchanged, economy adds few jobs

OTTAWA, March 7 (Reuters) - Canada's unemployment rate held steady at 6.6% in February while new job additions were only marginally up, data showed on Friday, reflecting the early potential impact of uncertainty over U.S. tariffs on corporate hiring decisions. The economy added a net of 1,100 jobs, Statistics Canada said, a sharp contrast to the addition of 76,000 jobs in January and a cumulative increase of 211,000 from November to January. Analysts polled by Reuters had estimated the unemployment rate at 6.7% and net addition of 20,000 jobs in February.

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Japan posts current account deficit for first time in 2 years

TOKYO, March 10 (Reuters) - Japan recorded a current account deficit in January for the first time in two years as a weak yen inflated the cost of imports, finance ministry data showed on Monday. A boost in imports of smartphones and electronic parts in the run-up to the Lunar New Year holiday, which started at the end of January, also pushed up total imports during the month, the data showed. Japan's current account deficit in January stood at 257.6 billion yen (\$1.75 billion), bigger than a median market forecast for a deficit of 230.5 billion yen, the data showed. Imports rose 17.7% in January from a year earlier, while exports rose 2.1%.

Brazil records first monthly trade deficit since 2022

SAO PAULO, March 7 (Reuters) - Brazil posted a surprising trade deficit in February, government data showed on Friday, its first monthly deficit in more than three years due to an oil vessel deal and lower prices of key commodities. The South American nation reported an about-\$300 million trade balance deficit last month, the Ministry for Development, Industry, Trade and Services said, from a \$5.1 billion surplus a year earlier. The result marked Brazil's first monthly trade deficit since January 2022, and the largest negative figure since November 2021, when it posted a \$1.1 billion deficit.

Oil prices decline as investors continue to fret over tariff impact

SINGAPORE, March 10 (Reuters) - Oil prices fell on Monday as concern about the impact of U.S. import tariffs on global economic growth and fuel demand, as well as rising output from OPEC+ producers, cooled investor appetite for riskier assets. Brent crude fell 25 cents, or 0.4%, to \$70.11 a barrel after settling up 90 cents on Friday. U.S. West Texas Intermediate crude was at \$66.76 a barrel, down 28 cents, or 0.4%, after closing 68 cents higher in the previous trading session. WTI declined for a seventh successive week, the longest losing streak since November 2023, while Brent was down for a third consecutive week.