



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

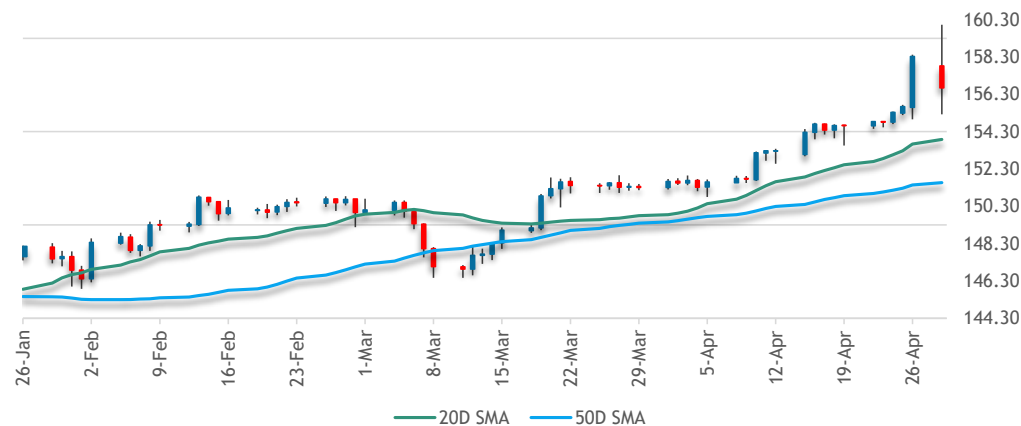
KFH Treasury



Report produced on
Mon, 29-Apr-2024

Forex Market

JAPANESE YEN



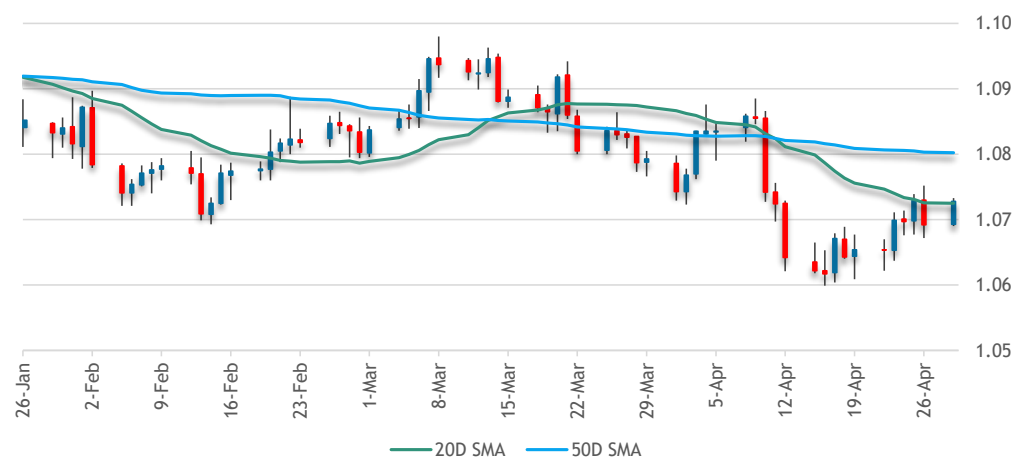
CLOSE **158.33** 1M %chg **4.47%** 3M %chg **6.86%**

USD/JPY-Recovers from early fall as relentless rise continues - Reuters News

29 Apr 2024 02:33:54 AM

- * USD/JPY recovers from minor dip in Asia after a 1.8% surge on Friday
- * Opens at 158.00 from 158.33 New York close; Asia range 158.43-157.80
- * Traders wary of BOJ intervention as rise "too far, too quick"
- * Sticky U.S. inflation, yawning U.S.-Japan yield differentials underpin
- * Benign Japanese inflation data, BOJ's dovish hold Friday undermine JPY
- * Japan frets over relentless yen slide as BOJ keeps ultra-low rates
- * Fri range 154.97-158.44; traders now eye 160.00 with support at 155.00
- * FOMC meeting, US payrolls to set direction this week

EURO



CLOSE **1.0692** 1M %chg **-1.27%** 3M %chg **-1.47%**

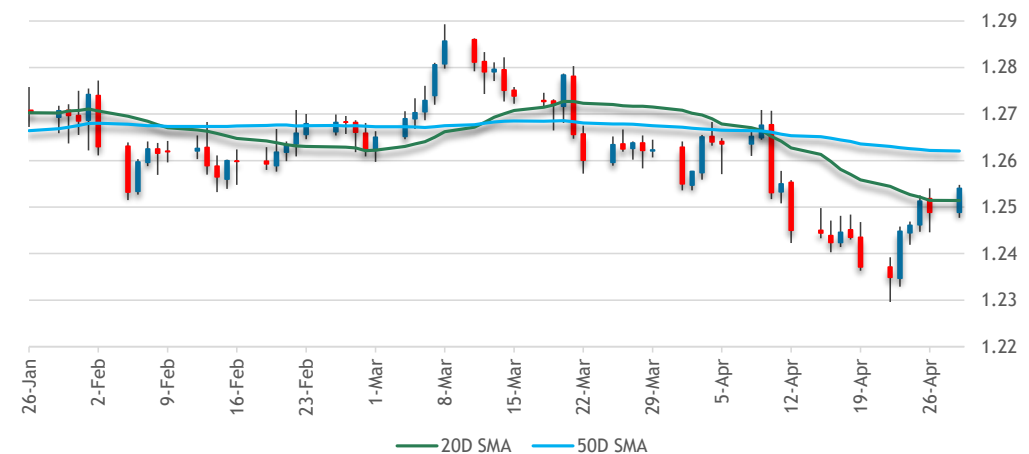
EUR/USD-Bid as last week's moves suggest a base is forming - Reuters

29 Apr 2024 03:44:18 AM

- * +0.1% after closing -0.35% with the USD up 0.45% and USD/JPY at 34yr highs
- * Yield spreads little changed - 10yr bund -5bp 2.574%, 10yr UST -4bp 4.669%
- * It should be a busy week with plenty of EU data and the Fed rate decision
- * Charts - 5, 10, and 21-day moving averages coil, 21-day Bollinger bands slip
- * Daily momentum studies rise - the downtrend has stalled - signals have based
- * 1.0745 Fibro resistance, 0.382% of the March/April fall capped on the close
- * Close above would target a test of the 1.0790 0.5% retracement
- * 1.0674 - 1.0742 New York range is initial support and resistance

Forex Market

POUND STERLING



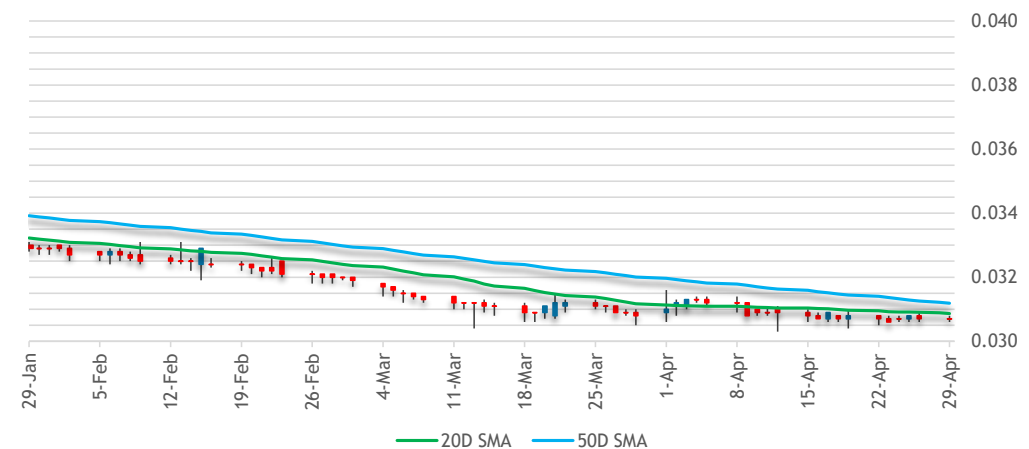
CLOSE **1.2489** 1M %chg **-1.08%** 3M %chg **-1.68%**

COMMENT-Sterling fades from 1.25, additional hurdles remain - Reuters

26 Apr 2024 09:06:55 PM

April 26 (Reuters) - Cable went on the back foot to close out the week, failing to maintain a foothold above the 1.25 handle and in need of a solid foray across the 200-day moving average beyond that figure to change the soft-sterling narrative. Despite a topside surprise relative to expectations, a 0.1ppt beat on both the core and headline figures were arguably less than what could've been given the GDP report. In turn, market pricing over Fed policy was little changed with 35bps of easing seen by year-end. For GBP/USD, while 1.25 is a key pivot zone prior support, now resistance the 200-DMA situated at 1.2555 needs clearing before bulls can get excited. As previously highlighted, month-end flows will continue to favor the greenback in the immediate future.

TURKISH LIRA



CLOSE **0.0307** 1M %chg **-1.29%** 3M %chg **-6.97%**

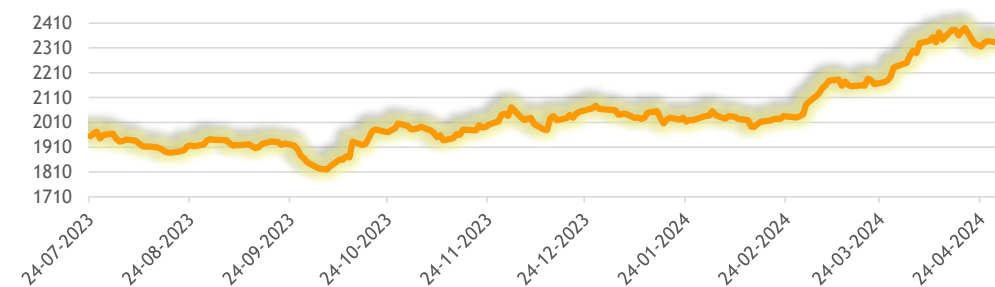
Turkey cenbank holds rates at 50% citing last big hike - Reuters News

25 Apr 2024 03:57:50 PM

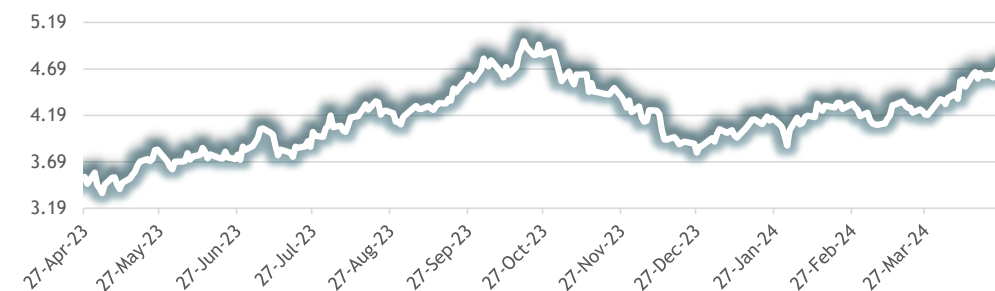
ANKARA, April 25 (Reuters) - Turkey's central bank kept its main interest rate steady at 50% on Thursday as expected, citing a big tightening in financial conditions since its last hike, and again pledged to tighten policy more if needed in its campaign to cool inflation. Analysts said the central bank has likely ended its aggressive, nearly year-long tightening cycle. Last month, it unexpectedly raised its one-week repo rate TRINT=ECI by 500 basis points, citing a deteriorating inflation outlook and pledging to keep a tight monetary stance. The annual inflation rate climbed to 68.5% in March and is expected to rise for another few months before easing. The central bank has forecast it will dip to 36% by year-end, a bit lower than market expectations.

Gold, US Treasury & Dollar Index

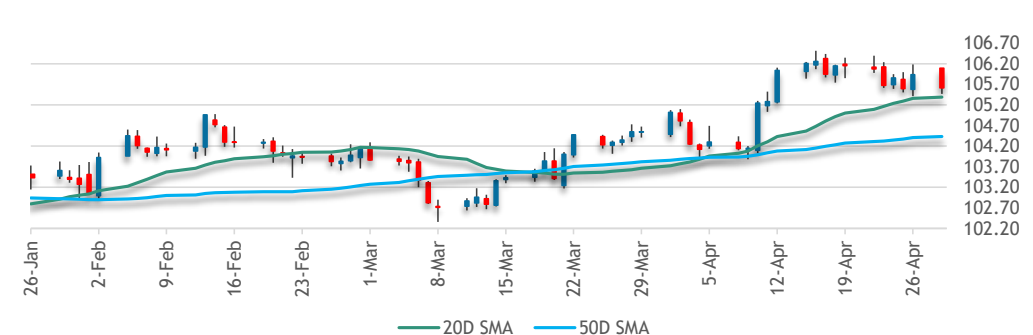
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.67

1M %chg

10.27%

3M %chg

12.24%

PRECIOUS-Gold retreats as dampened Fed rate cut hopes dent appeal - Reuters News

29 Apr 2024 07:54:12 AM

April 29 (Reuters) - Gold prices slipped as hopes for early interest rate cuts this year dampened, while focus shifted to the Fed Reserve policy meeting and U.S. non-farm payrolls data due this week for further clarity on monetary policy. Spot gold fell 0.5% to \$2,327.09 per ounce. U.S. gold futures were down 0.4% at \$2,338.30. "Short term, gold is facing some challenges given the likely delayed timeline for rate cuts. However if gold can remain in the \$2200-\$2350 range, the precious metal will be well positioned to capitalise on any potential downturn in U.S. macro data in coming quarters," Tim Waterer, chief market analyst at KCM Trade said. The Federal Reserve's policy meeting from April 30-May 1 and the non-farm payrolls data due on Friday are key for markets this week. The Fed is seen holding its benchmark interest rate steady at 5.25%-to-5.5% at this meeting. Spot silver rose 0.3% to \$27.24 per ounce, spot platinum was up 0.5% to \$919.95 and palladium gained 0.1% to \$954.94.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Jobs/Applicants Ratio*	JP	29-Apr 05:00	Mar	1.26	1.26
Unemployment Rate*	JP	29-Apr 05:00	Mar	2.6	2.5
Industrial O/P Prelim MM SA*	JP	29-Apr 05:20	Mar	-0.6	3.5
IP Forecast 1 Mth Ahead	JP	29-Apr 05:20	Apr	4.9	
IP Forecast 2 Mth Ahead	JP	29-Apr 05:20	May	3.3	
Industrial O/P Prelim YY SA*	JP	29-Apr 05:20	Mar	-6.8	
Large Scale Retail Sales YY*	JP	29-Apr 05:20	Mar	8	
Retail Sales YY	JP	29-Apr 05:20	Mar	4.6	2.2
Industrial Sentiment *	EU	29-Apr 14:30	Apr	-8.8	-8.6
Cons Infl Expec *	EU	29-Apr 14:30	Apr	12.3	
Consumer Confid. Final *	EU	29-Apr 14:30	Apr	-14.7	-14.7

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.073	1.0752	1.0672	1.0692	-0.34%
GBP	1.2518	1.254	1.2446	1.2489	-0.19%
JPY	155.6	158.43	154.96	158.33	1.72%
TRY	0.0308	0.0309	0.0306	0.0307	-0.32%
Dollar Idx	105.576	106.188	105.414	105.938	0.32%
Brent	89.23	89.83	88.78	89.5	0.55%
WTC	85.86	86.05	84.95	85.38	0.54%
Gold	2331.6599	2352.39	2326.0015	2337.7151	0.25%
KWSE Index	7034.9	7054.92	7017.33	7022.09	-0.06%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.44	3M	4.31
SW	3.75	6M	4.50
1M	4.06	1Y	4.69

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30790

3M% CHG

0.10%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	27-Jul-'23	3.88	3.63	0.25
1W Repo Rate	27-Jul-'23	4.13	3.88	0.25
1M Repo Rate	27-Jul-'23	4.38	4.38	0.00
KWD ON Rate	27-Jul-'23	10.00	10.00	0.00
Discount Rate	27-Jul-'23	4.25	4.00	0.25

LIBOR RATES

Tenor	Value	Tenor	Value
ON	0.00	3M	5.59
SW	0.00	6M	5.74
1M	5.43	1Y	0.00
2M	0.00		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	26-Jul-'23	5.50	4.25	1.25
ECB Refinancing Rate	11-Apr-'24	4.50	4.50	0.00
BOE Bank Rate	21-Mar-'24	5.25	5.25	0.00
BOJ Prime Rate	08-Mar-'24	1.60	1.50	0.10
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50

KEY INTERNATIONAL STORIES

US inflation increases moderately; consumer spending boosts Q2 outlook

WASHINGTON, April 26 (Reuters) - U.S. monthly inflation rose moderately in March, but stubbornly higher costs for housing and utilities suggested the Federal Reserve could keep interest rates elevated for a while. The personal consumption expenditures price index increased 0.3% last month, matching the unrevised gain in February, the Commerce Department's Bureau of Economic Analysis said. Goods prices edged up 0.1% as increases in the costs of gasoline, clothing and footwear were partially offset by a decline in prices of motor vehicles and parts. Services prices rose 0.4%, quickening from February's 0.3% advance.

Lending and consumer data cements case for ECB rate cuts

FRANKFURT, April 26 (Reuters) - Euro zone lending continued to stagnate in March and consumers trimmed their inflation expectations as record-high borrowing costs kept putting the brakes on the euro zone's economy, European Central Bank (ECB) reports showed on Friday. The data was likely to cement the ECB's plan to start cutting interest rates in June after seeing inflation fall to just above its 2% goal and economic growth come to a standstill. Inflation expectations for three years ahead held steady for a fourth consecutive month at 2.5%, the ECB said in its monthly poll of around 19,000 consumers.

Russian central bank warns of slower drop in inflation as it holds rates at 16%

MOSCOW, April 26 (Reuters) - Inflation is set to ease more slowly than previously thought, Russia's central bank said on Friday as it held its key interest rate at 16% for the third meeting running and acknowledged for the first time that inflation may not fall to its 4% target this year. The decision was in line with a Reuters poll of economists, which had forecast that the persistence of inflation, fanned by strong consumer demand and widespread labour shortages, would prevent the central bank from easing borrowing costs more quickly. The bank lifted its inflation forecast to 4.3-4.8% from 4-4.5% previously.

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China industrial profits fall in March, stir doubts about economic recovery

BEIJING, April 27 (Reuters) - China's industrial profits fell in March and slowed gains for the quarter compared to the first two months, official data showed on Saturday, raising doubts about the strength of a recovery for the world's second-biggest economy. Cumulative profits of China's industrial firms rose 4.3% to 1.5 trillion yuan (\$207.0 billion) in the first quarter from a year earlier, National Bureau of Statistics (NBS) data showed, slower than a 10.2% rise in the first two months. Profits fell 3.5% year-on-year in March. NBS did not break down monthly numbers for Jan-Feb, but said during the release in March that monthly numbers had extended gains since August 2023.

Indonesia finmin says monitoring economic impact of geopolitics - Reuters

JAKARTA, April 26 (Reuters) - Indonesia needs to anticipate any impact on the domestic economy of the recent escalation in geopolitical tensions in the Middle East and delays in U.S. monetary easing, which will also affect the government's budget, its finance minister said on Friday. Indonesia's economy was doing well, with growth in the first quarter forecast at 5.17% on an annual basis, accelerating from 5.04% in the previous three months, partly due to stronger household spending during the fasting month of Ramadan, which started in March. Total revenue fell 4.1% on a yearly basis in January-March to 620 trillion rupiah, while total spending rose 18.4% to 611.9 trillion rupiah.

Oil prices fall 1% on Israel-Hamas ceasefire talks, U.S. inflation concerns

BEIJING, April 29 (Reuters) - Oil prices fell in early Asian trading on Monday, erasing gains from Friday as Israel-Hamas peace talks in Cairo eased fears of a wider conflict in the Middle East and U.S. inflation data further dimmed the prospects of interest rate cuts anytime soon. Brent crude futures fell by as much as \$1, or 1.1% to \$88.50 a barrel before ticking back up to \$88.55. West Texas Intermediate futures were down 84 cents, or 1%, at \$83.01 a barrel. Brent had settled up 49 cents and WTI up 28 cents on Friday on concerns about disruptions to supply from events in the Middle East. U.S. inflation rose 2.7% in the 12 months through March, data on Friday showed, above the Fed's target of 2%.