



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

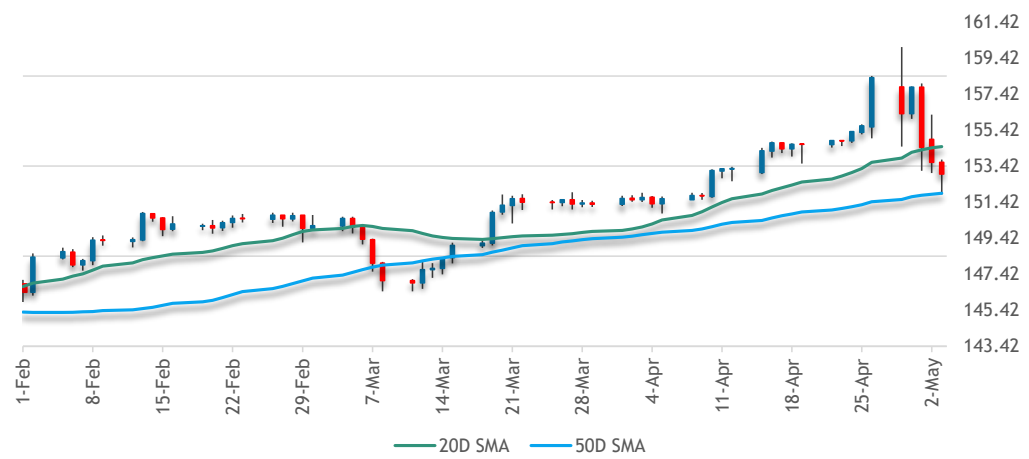
KFH Treasury



Report produced on
Sun, 05-May-2024

Forex Market

JAPANESE YEN



CLOSE
152.98

1M %chg
0.86%

3M %chg
3.11%

COMMENT-Dollar rebounds vs yen by 2023/22 peaks, after softer NFP, ISM hit - Reuters

03 May 2024 07:24:48 PM

May 3 (Reuters) - USD/JPY fell to 151.86 on Friday, near 2023/22 151.94/92 peaks, after soft U.S. jobs data and stagflationary ISM, but prices had already tumbled by 5% from Monday's 160.245 peak by 1990's high amid two suspected rounds of yen intervention, leaving downside limited unless U.S. CPI weakens. Two-year Treasury yields briefly halved the 11bp post-payrolls slide, helping USD/JPY back toward Thursday and Wednesday's 153.07/00 lows. The rebound from near 152, the 10-week moving average and stretched lower 10-day Bolli, staved off a bigger retreat to key supports near 150, but a close above the 30-DMA at 153.51 is needed to weaken the bearish bias. The daily kijun and broken uptrend line from March by 155.50 are major hurdles, as intervention risk increases the faster prices erase this week's slide.

EURO



CLOSE
1.0758

1M %chg
-0.71%

3M %chg
-0.24%

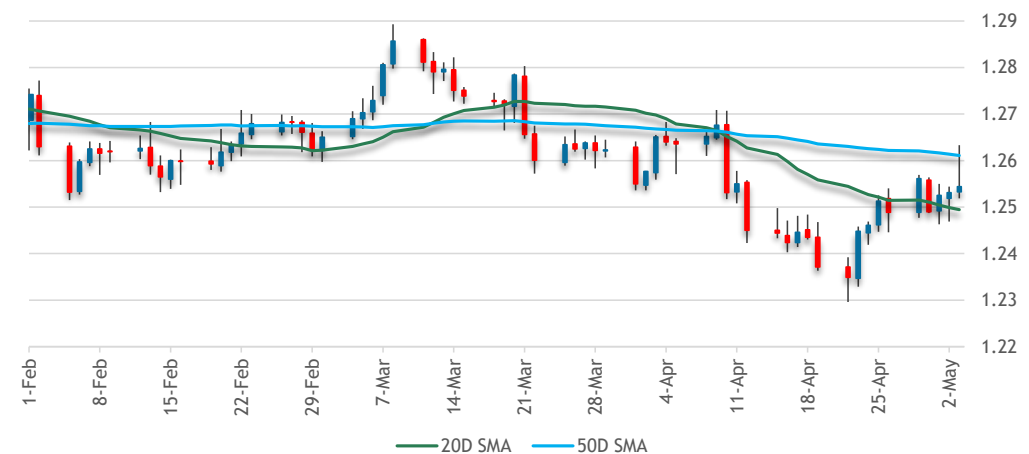
COMMENT-Soft US jobs surprise may leave EUR/USD home in a range - Reuters

03 May 2024 05:33:06 PM

May 3 (Reuters) - EUR/USD may be set to enter a range-bound period as Fed and ECB rate paths appear to be converging a bit following the U.S. jobs report on Friday. Following the downside surprise to payrolls, EUR/USD spiked up, piercing the 55- and 200-DMAs on its way to a near one-month high. The April payroll data showed unemployment climbed to 3.9%, above the 3.8% estimate, while payrolls printed 175k versus estimates for 243k and average hourly earnings fell to 0.2% from 0.3% in March. EUR/USD's rally may not have much further to run, however, and the broader 1.0500-1.1100 range could hold as investors may now see rate-cutting paths for the ECB and Fed converge after their recent divergence.

Forex Market

POUND STERLING



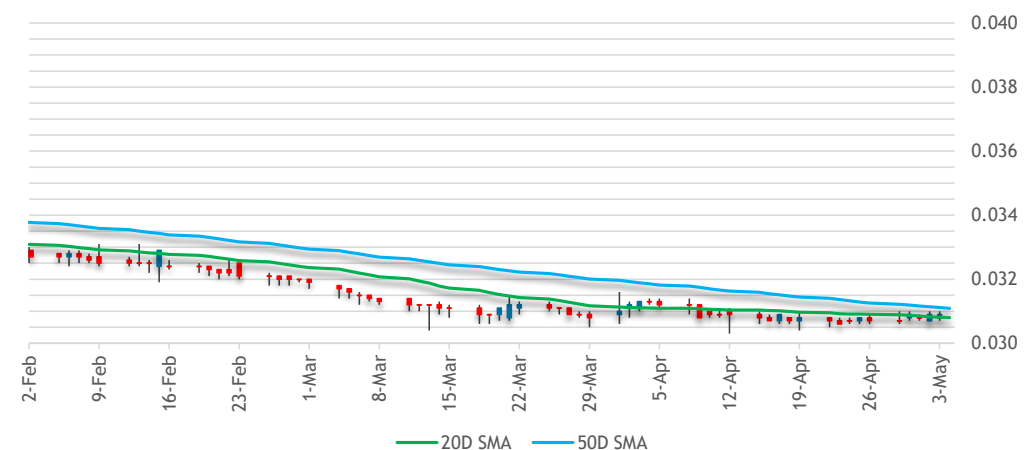
CLOSE **1.2544** 1M %chg **-0.85%** 3M %chg **-0.68%**

Sterling gassed ahead of 100-DMA after below-forecast US payrolls data - Reuters

03 May 2024 09:38:46 PM

- * GBP\$ ekes out slight gain, +0.06% at 1.2545; Friday range 1.2634-1.2530
- * Pair climbed to 3-week high 1.2630 after soft U.S. payroll data
- * Sterling bulls feast after soft payroll data affirms dovish Fed tack
- * Data initially sank UST yields dragging USD broadly lower, then USD sank
- * GBP\$ supported ahead of minor Fib at 1.2526 as bottom-fishers entered mkt
- * Below 1.2525 supt at 10-DMA 1.2504, Apr 26 low 1.2449, lwr 30-d Bolli 1.2359
- * Res at 1.2596, bruised 50% Fib of 1.2894-1.2299 and 1.2630 Friday high
- * With Fed tipped to less-hawkish path, focus shifts to BoE Presser May 9

TURKISH LIRA



CLOSE **0.0309** 1M %chg **-1.28%** 3M %chg **-5.50%**

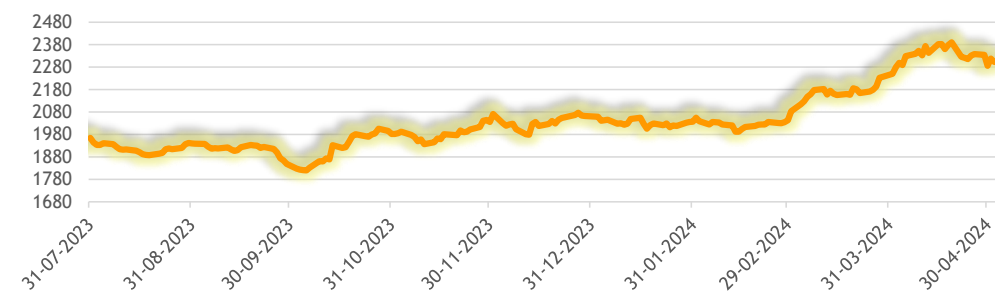
Turkey cenbank net FX reserves fall to \$14 bln on April 26 - Reuters

02 May 2024 03:51:09 PM

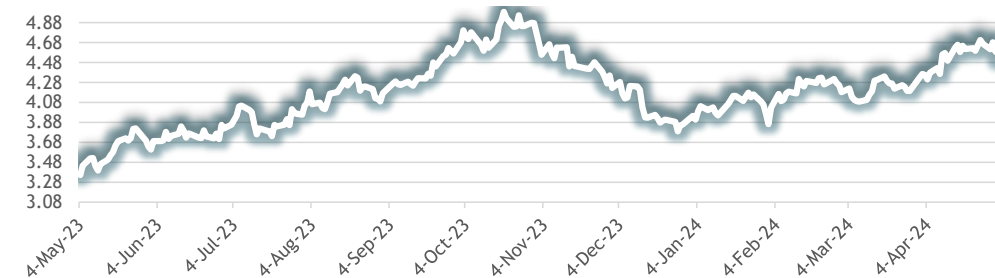
ISTANBUL, May 2 (Reuters) - The Turkish central bank's net international reserves fell just over \$1 billion to \$14.01 billion in the week to April 26 from \$15.05 billion a week earlier, official data showed on Thursday. Reserves have slipped back this year after rebounding sharply since early June - just after presidential and parliamentary elections - when they were down to minus \$5.7 billion, their lowest since data publication began in 2002. The rate used by Reuters on Thursday was 32.4747 lira to the dollar.

Gold, US Treasury & Dollar Index

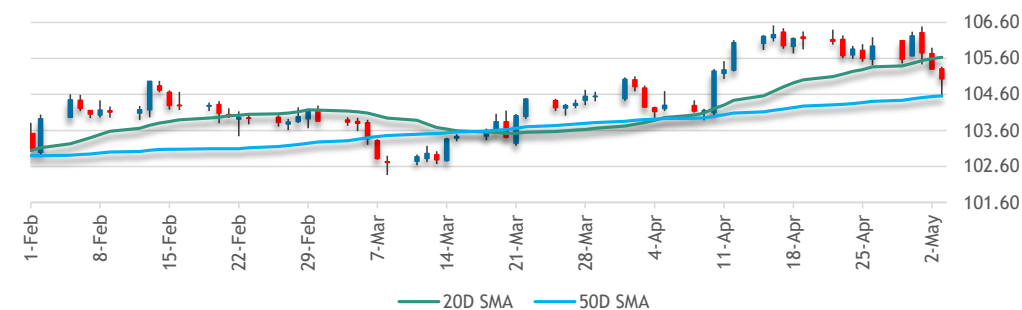
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.50

1M %chg

3.33%

3M %chg

11.63%

PRECIOUS-Gold resumes retreat despite soft jobs report as traders book profits

03 May 2024 09:57:43 PM

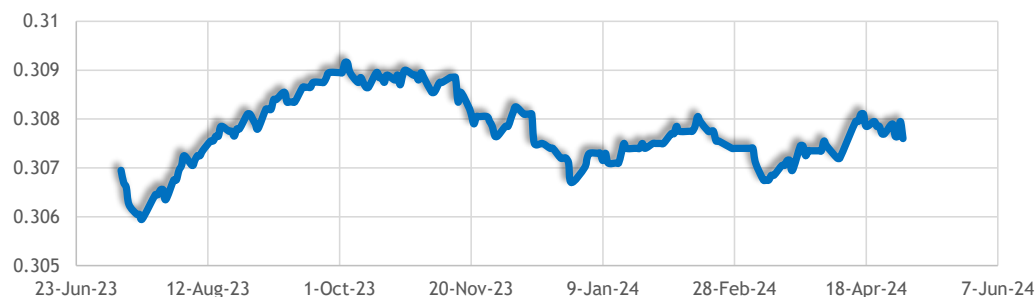
May 3 (Reuters) - Gold fell to a one-month low despite weaker-than-expected U.S. jobs data, extending a correction from last month's stellar rally as investors booked profits while geopolitical risks eased. Spot gold fell 0.1% to \$2,300.38 per ounce, and logged its second consecutive weekly fall. U.S. gold futures settled little changed at \$2,308.6. Prices quickly gave up gains after jumping as high as \$2,320.78 immediately after the release of data showing U.S. nonfarm payrolls increased by 175,000 jobs last month, lower than economists' forecast of 243,000. Gold also seemed to largely ignore a resultant slide in U.S. Treasury yields. Safe-haven bullion has retreated 5.7%, or about \$140, since hitting a record high of \$2,431.29 in April, driven by flare-ups in the Middle East and strong central bank buying. Silver fell 0.9% to \$26.46, and marked a weekly decline. However, platinum gained 0.8% to \$957.05, and posted a weekly gain, while palladium also rose 0.8% to \$943.37.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
BRC Retail Sales YY	GB	06-May 04:31	Apr	3.2	
HCOB - Composite Final PMI	EU	06-May 13:30	Apr	51.4	51.4
HCOB Services Final PMI	EU	06-May 13:30	Apr	52.9	52.9
Sentix Index*	EU	06-May 14:00	May	-5.9	-5
Producer Prices MM	EU	06-May 14:30	Mar	-1	-0.4
Producer Prices YY	EU	06-May 14:30	Mar	-8.3	-7.7
Employment Trends*	US	06-May 19:30	Apr	112.84	
Consumer Credit*	US	07-May 00:30	Mar	14.12	15.00
JibunBK SVC PMI Final SA *	JP	07-May 06:00	Apr	54.6	
Halifax House Prices MM*	GB	07-May 11:30	Apr	-1	
Halifax House Prices YY*	GB	07-May 11:30	Apr	0.30	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0709	1.073	1.0673	1.0758	0.15%
GBP	1.2519	1.2544	1.2469	1.2544	0.10%
JPY	154.91	156.28	153.04	152.98	-0.42%
TRY	0.0307	0.031	0.0307	0.0309	0.00%
Dollar Idx	105.731	105.897	105.298	105.03	-0.26%
Brent	83.59	84.44	83.05	82.96	-0.85%
WTC	81.28	81.28	80.01	79.65	-1.17%
Gold	2319.51	2326.39	2285.39	2301.5569	-0.08%
KWSE Index	7035.07	7056.58	7032.31	7033.48	0.11%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.44	3M	4.31
SW	3.75	6M	4.50
1M	4.00	1Y	4.69

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30766

0.03%

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	5.44	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

Weak US productivity could threaten Fed's 'soft landing' hopes - Reuters News

WASHINGTON, May 2 (Reuters) - Weaker U.S. productivity gains in the first quarter may challenge the Fed Reserve's efforts to finish its inflation fight without a painful rise in unemployment, potentially stalling progress on prices absent a further economic slowdown. A jump last year in how much workers produce helped the economy grow fast and hiring remain strong while inflation fell nonetheless. Data for the first three months of 2024, however, showed worker productivity rose at a 0.3% annual pace, compared to increases of more than 3% in the prior three quarters. Unit labor costs, as a result, jumped 4.7%, the fastest in a year.

UK set for weak growth and highest inflation in G7, OECD says - Reuters News

LONDON, May 2 (Reuters) - Britain will suffer some of the lowest rates of economic growth and highest inflation among Group of Seven countries this year and next, forecasts of Organisation of Economic Co-operation and Development suggested. The OECD cut this year's growth forecast for the British economy to 0.4% from the 0.7% it predicted in February. UK growth in 2025 is expected to recover to just 1.0%, compared with the OECD's previous forecast of 1.2%, putting Britain at the bottom of the G7. The OECD forecasts showed Britain's annual rate of consumer price growth was likely to be the highest among G7 countries, both this year and next.

ECB's Stournaras sees just three rate cuts in 2024 on strong growth

FRANKFURT, May 3 (Reuters) - The European Central Bank is "most likely" to cut interest rates just three times this year as stronger-than-expected economic growth supports inflation, ECB policymaker Yannis Stournaras said in an interview with a Greek media outlet. The ECB has all but promised to start lowering borrowing costs from their current, record highs in June but the path further ahead has become more uncertain in recent weeks. Stournaras, a policy dove who was among the first to call for a rate cut in June, said an economic rebound in the first quarter of the year made three cuts more likely than four.

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Canada posts surprise trade deficit as gold exports fell in March - Reuters News

OTTAWA, May 2 (Reuters) - Canada in March recorded a surprise trade deficit of C\$2.28 billion (\$1.66 billion), the largest in nine months, as exports declined faster than imports, data showed on Thursday. Total exports fell 5.3% in March mainly due to exports of unwrought gold declining from a record high reached in February, while imports were down 1.2%, led by electronics and metal ores and non-metallic minerals, Statistics Canada said. Analysts polled by Reuters had forecast a trade surplus of C\$1.50 billion in the month. The statistics office also downwardly revised February's trade surplus to C\$476 million from the C\$1.39 billion reported initially.

Indonesia's inflation rate eases slightly in April

JAKARTA, May 2 (Reuters) - Indonesia's annual inflation rate cooled slightly in April as pressure from some food prices eased as the harvest season began, the country's statistics bureau said on Thursday, staying within the central bank's 1.5% to 3.5% target range. The Consumer Price Index rose 3.00% on a yearly basis in April, compared with the 3.06% forecast by economists polled by Reuters and March's 3.05%. The annual core inflation rate, which strips out volatile food prices and prices controlled by the government, accelerated slightly to 1.82% in April, from 1.77% in March. Volatile food inflation was recorded at 9.63% last month, down from 10.33% the previous month.

Oil settles down on US jobs data, steepest weekly loss in 3 months

NEW YORK, May 3 (Reuters) - Oil prices settled lower, and posted their steepest weekly loss in three months as investors weighed weak U.S. jobs data and possible timing of a Federal Reserve interest rate cut. Brent crude futures for July settled 71 cents lower, or 0.85%, to \$82.96 a barrel. U.S. West Texas Intermediate crude for June fell 84 cents, or 1.06%, to \$78.11 a barrel. For the week, Brent declined more than 7%, while WTI fell 6.8%. The oil and gas rig count, an early indicator of future output, fell by eight to 605 in the week to May 3, in the biggest weekly decline since September 2023. The number of oil rigs fell seven to 499 this week, in the biggest weekly drop since November 2023.



Market data & Reuters News
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