



بيت التمويل الكويتي
Kuwait Finance House

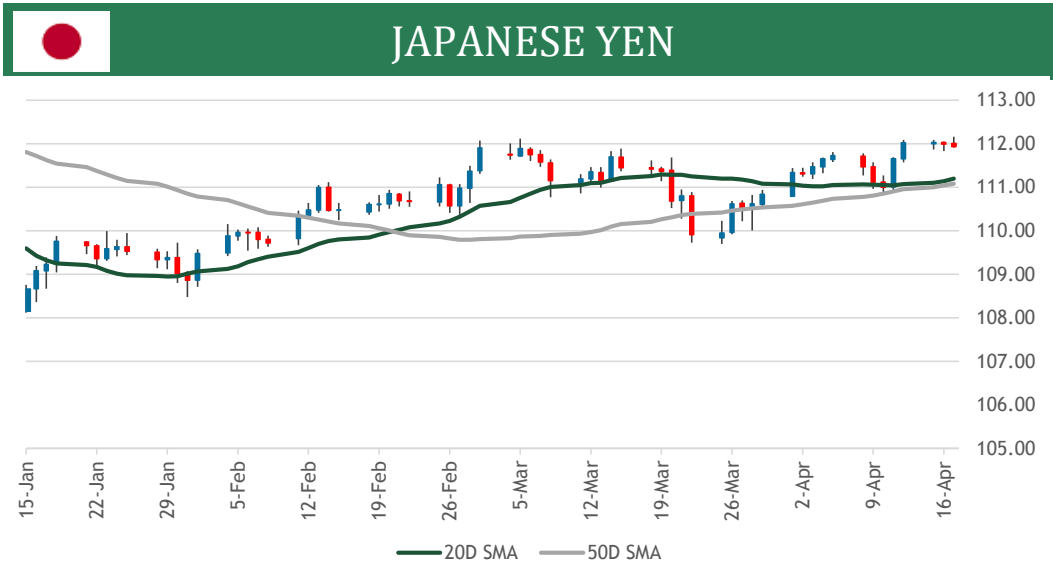


Market Commentary

KFH Treasury

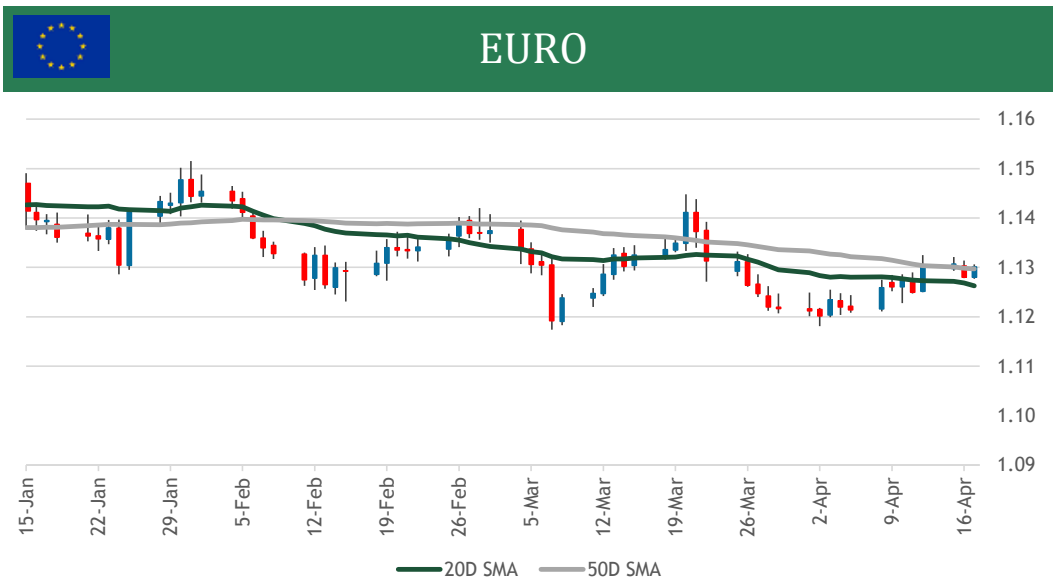


Forex Market



CLOSE **111.99** 1M %chg **0.48%** 3M %chg **2.67%**

- USD/JPY ended little changed yest at 112.00 amidst subdued trade. Earlier today, it briefly ticked up to 112.17 on importer demand ahead of the Tokyo fix, but those gains were then erased by exporter/option-related selling interest.
- There's been no lift from the upbeat Chinese docket. A mix of exporter/option-related selling interest is seen around 112.15 and loosely layered btwn 112.30/60. Bids around 111.72/85, pre-111.50 and around 111.20/30.
- More quiet consolidation around 112.00 looks likely in the interim.
- Looking even further out, we expect a retreat down to 109.88/60.
- Sell at 111.97 and on strength at 112.26, targeting a run down to 109.88, placing stops at 113.06.

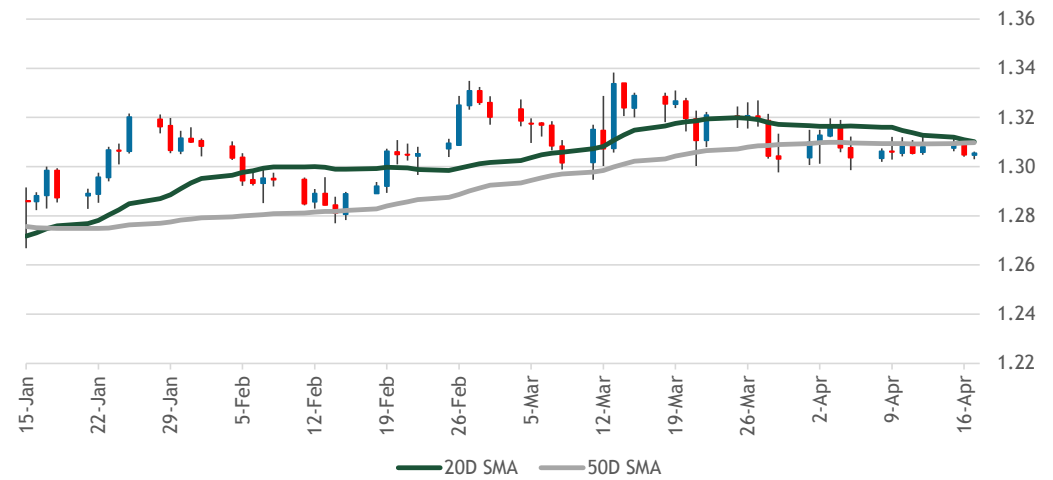


CLOSE **1.1280** 1M %chg **-0.40%** 3M %chg **-1.03%**

- EUR/USD slipped down to 1.1280 yest on leveraged selling.
- The initial drag came from Reuters reporting that a "significant minority" of ECB policymakers "doubt" the 2H2019 growth recovery assessment.
- BBG also reported that ECB officials were said to "lack enthusiasm for any revamp of their negative-interest rate tool and some doubt it will actually happen when an analysis of the policy is completed".
- At present levels, there's no favourable risk-reward to establish fresh positions and we will stay on the sidelines for the time being.
- Broadly speaking, our mid-term outlook remains bearish.

Forex Market

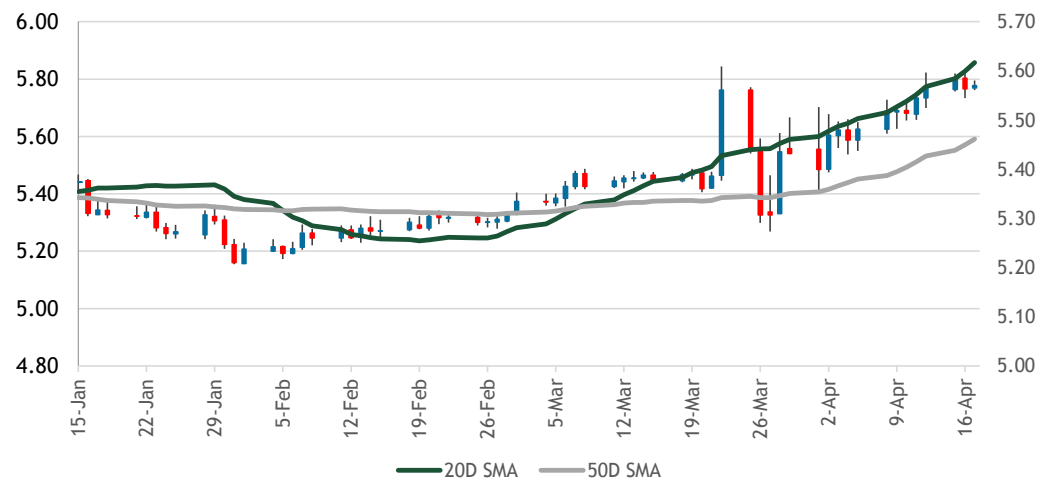
POUND STERLING



CLOSE	1M %chg	3M %chg
1.3048	-1.81%	1.30%

- GBP/USD slid lower yest on leveraged/ algo selling, after the Guardian reported that Brexit talks between the UK govt and Labour Party have stalled.
- Yest's trade range: 1.3043/3106, ending at 1.3048.
- There was little reaction to the UK jobs report, given the BOE's policy path is wholly dependent on Brexit developments.
- Earlier today, it touched a 1wk low of 1.3033 but has since rebounded back above 1.3050 on algo short-covering (triggered by the soft USD bias).
- We would still stay on the sidelines for the time being although we favour a mid-term strategy of selling on strength on account of latent Brexit uncertainties.

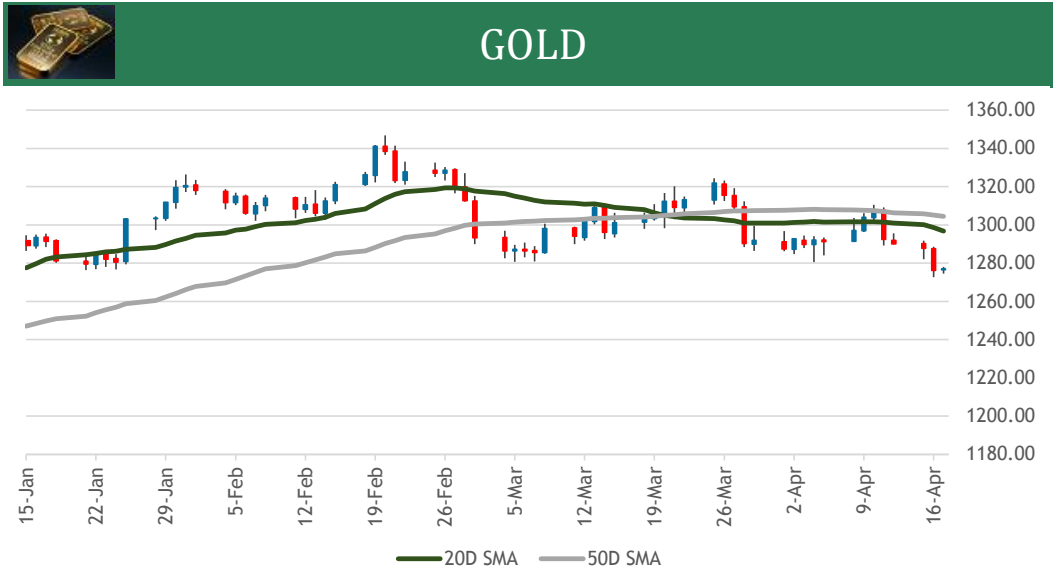
TURKISH LIRA



CLOSE	1D %chg	1M %chg
5.7662	-0.58%	5.89%

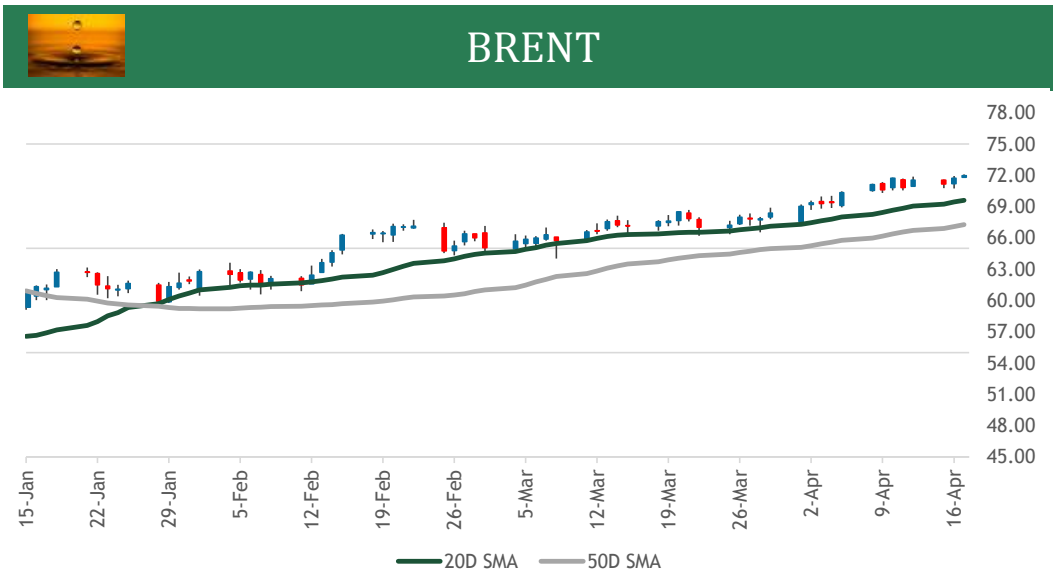
- USD/TRY has been trending higher since late March, as a mix of Pres Erdogan comments and falling FX reserves once again spooked investors, showcasing how fragile the Lira remains since last year's extreme sell-off.
- The CBRT did step in with some temporary tightening measures, but these have been pulled back and the Lira has been left to weaken once again post the Turkish local elections, as the AK party refuse to accept defeat in Istanbul.
- Thus USD/TRY having pulled back to 5.3000 has jumped back to test 5.8200 in recent days and for the reasons we outline below we continue to favour upside in the pair with a target of 6.2282.

Commodities



CLOSE **1276.17** 1D %chg **-0.89%** 1W %chg **-2.13%**

- Gold prices stayed below the key \$1,280 level on Wednesday, near a four-month trough, as better-than-expected economic readings from China lifted Asian shares and sharpened risk appetite, denting the metal's safe-haven appeal.
- Spot Gold was steady at \$1,276.36 per ounce as of 0324 GMT, after having fallen as much as 1.2 percent to \$1,272.70, its lowest since Dec. 27, in the previous session.
- U.S. Gold futures were up 0.1 percent to \$1,278.80 an ounce.



CLOSE **71.72** 1D %chg **0.76%** 1W %chg **1.57%**

- Oil prices rose for a second day on Wednesday on signs of strong demand from refineries in China, the world's second-largest crude user, amid tightening supply as producers curtail output and as oil inventories in the United States fell unexpectedly.
- International benchmark Brent crude oil futures rose 21 cents, or 0.29 percent, to \$71.93 a barrel by 0319 GMT. Brent gained as much 0.5 percent to 72.08 a barrel, the highest since Nov. 8 and the highest this year.
- U.S. West Texas Intermediate (WTI) crude futures were at \$64.45 per barrel, up 40 cents, or 0.6 percent from their previous settlement.

Daily Market Report

MARKET SUMMARY					
INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1303	1.1314	1.1278	1.1280	-0.24%
GBP	1.3101	1.3111	1.3040	1.3048	-0.37%
JPY	112.03	112.05	111.83	111.99	-0.04%
TRY	5.8032	5.8282	5.7340	5.7662	-0.58%
Dollar Idx	96.9280	97.0910	96.8830	97.0430	0.10%
Brent	71.21	71.95	70.74	71.72	0.76%
WTC	-	-	-	64.01	0.91%
Gold	1287.51	1288.60	1272.70	1276.17	-0.89%
KWSE Index	0.0000	0.0000	0.0000	#N/A	0.00%

UPCOMING ECONOMIC RELEASES					
INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Reuters Tankan DI	JP	17/Apr 01:00	Apr	10	
Industrial Output Rev*	JP	17/Apr 06:30	Feb	1.4	
Foreign Invest JP Stock	JP	17/Apr 01:50	w/e	1463.7	
PPI Input Prices YY NSA	GB	17/Apr 10:30	Mar	3.7	3.9
PPI Output Prices MM NSA	GB	17/Apr 10:30	Mar	0.1	0.2

KIBOR RATES			
Tenor	Value	Tenor	Value
ON	1.63	3M	2.69
SW	2.06	6M	2.88
1M	2.44	1Y	3.13

CENTRAL BANK OF KUWAIT				
KWD (CBK FIX) CLOSE		1D %chg		
0.30385		0.00%		
POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	20/Dec/'18	2.50	2.50	0.00
1W Repo Rate	20/Dec/'18	2.75	2.75	0.00
1M Repo Rate	20/Dec/'18	3.25	3.25	0.00
KWD ON Rate	20/Dec/'18	10.00	10.00	0.00
Discount Rate	20/Dec/'18	3.00	3.00	0.00

LIBOR RATES			
Tenor	Value	Tenor	Value
ON	2.39	3M	2.59
SW	2.41	6M	2.64
1M	2.47	1Y	2.75
2M	2.53		

OTHER C-BANK RATES				
INDICATOR	As of	Value	Prior	Change
FED Target Rate	19/Dec/'18	2.50	1.25	1.25
ECB Refinancing Rate	10/Mar/'16	0.00	0.05	-0.05
BOE Bank Rate	02/Aug/'18	0.75	0.50	0.25
BOJ Prime Rate	10/Jul/'17	1.00	0.95	0.05
TRY ON Lending Rate	21/Sep/'18	25.50	24.00	1.50

Economic Calendar & News

ECONOMIC CALENDAR - Upcoming shortly

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Reuters Tankan DI	JP	17/Apr 01:00	Apr	10	
Foreign Bond Investment	JP	17/Apr 01:50	w/e	-1753.40	
Foreign Invest JP Stock	JP	17/Apr 01:50	w/e	1463.7	
Capacity Utilization MM SA*	JP	17/Apr 06:30	Feb	-4.70	
Industrial Output Rev*	JP	17/Apr 06:30	Feb	1.4	
Car Registration MM	GB	17/Apr 08:00	Mar	-49.10	
Car Registration YY	GB	17/Apr 08:00	Mar	1.4	
Current Account NSA, EUR	EU	17/Apr 10:00	Feb	9.3	
Current Account SA, EUR	EU	17/Apr 10:00	Feb	36.833	
CPI NSA*	GB	17/Apr 10:30	Mar	106.810	
Core CPI MM	GB	17/Apr 10:30	Mar	0.5	0.3
Core CPI YY	GB	17/Apr 10:30	Mar	1.8	1.9
CPI MM	GB	17/Apr 10:30	Mar	0.5	0.3
CPI YY	GB	17/Apr 10:30	Mar	1.9	2.0
PPI Core Output MM NSA	GB	17/Apr 10:30	Mar	0.1	0.1
PPI Core Output YY NSA	GB	17/Apr 10:30	Mar	2.2	2.2
PPI Input Prices YY NSA	GB	17/Apr 10:30	Mar	3.7	3.9
PPI Input Prices MM NSA	GB	17/Apr 10:30	Mar	0.6	0.3
PPI Output Prices MM NSA	GB	17/Apr 10:30	Mar	0.1	0.2
PPI Output Prices YY NSA	GB	17/Apr 10:30	Mar	2.2	2.1
RPI YY	GB	17/Apr 10:30	Mar	2.5	2.6
RPI MM	GB	17/Apr 10:30	Mar	0.7	0.2
RPI Index	GB	17/Apr 10:30	Mar	285.0	
RPI-X (Retail Prices) MM	GB	17/Apr 10:30	Mar	0.7	

NEWS AND STREET BUZZ

Global Top News

- Asian share markets got off to a guarded start on Wednesday as investors waited anxiously for a raft of Chinese data that might show policy stimulus is finally gaining traction in the world's second-largest economy.
- Sterling slipped on Tuesday after a newspaper report that Brexit talks between Prime Minister Theresa May's government and the opposition Labour Party were stalling, but moves were broadly contained in a market lacking fresh triggers.
- China's economy grew at a steady 6.4 percent pace in the first quarter from a year earlier, defying expectations for a slowdown, as industrial output jumped sharply.
- The United States has raised concerns over its "very large" trade deficit with Japan in the first round of negotiations between the two nations on a new bilateral trade deal.
- The Bank of Japan is ready to deploy monetary policy tools if a financial crisis threatens to destabilise the country's banking system, its deputy governor Masayoshi Amamiya said on Wednesday.
- Saudi Aramco, the world's largest crude oil producer, is in "serious discussions" to acquire up to a 25 percent stake in Reliance Industries' refining and petrochemicals businesses, the Times of India reported on Wednesday.
- Turkish industrial production tumbled 5.1 percent year-on-year in February, official data showed on Tuesday, marking a sixth month of declines but with a month-on-month rise in output offering the first indication of economic turnaround.
- Etihad Airways Group Chief Financial Officer Mark Powers has stepped down after roughly a year in the job as the Abu Dhabi state-owned carrier overhauls its business after years of heavy losses.
- Saudi Arabia's stock market rose on Tuesday as most of its banks gained, while a wide sell-off pulled down Egypt's blue-chip share index.

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