



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

KFH Treasury



Report produced on
Thu, 29-Apr-2021

Forex Market

JAPANESE YEN



CLOSE
108.59

1M %chg
-0.96%

3M %chg
4.20%

USD/JPY-Softer as USD leads, but rising daily cloud supports - Reuters

29-Apr-2021 05:33:07 AM

- * Off 0.1%, as Golden Week begins, after closing -0.1% - USD led
- * Expect JPY to be USD and risk led in Asia, tight range likely
- * Technically the move into the rising daily cloud on Friday short lived
- * Bounce stalled just short of 109.22 resistance, 50% March/April fall
- * 108.01 cloud top is initial support - cloud rises to 108.25 tomorrow
- * Horizontal Tenkan and Kijun lines, conflicting 5, 10 & 21 DMAs
- * Setup suggests choppy consolidation with rising cloud providing support
- * 108.28 Kijun line and 109 NY high initial support and resistance

EURO



CLOSE
1.2123

1M %chg
2.77%

3M %chg
0.02%

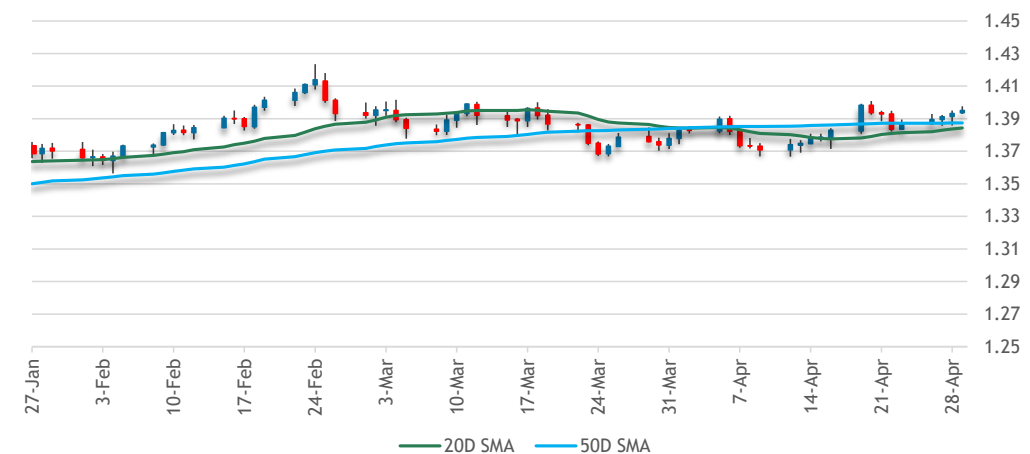
COMMENT-EUR/USD poised to rise after Fed comments, key break - Reuters News

29-Apr-2021 05:08:13 AM

April 29 (Reuters) - The EUR/USD uptrend is poised to accelerate after Federal Reserve Chair Jerome Powell reassured markets on Wednesday that the Fed is not yet contemplating tapering its extraordinarily accommodative policy despite improving U.S. economic data. Nervous EUR/USD longs had pared back before the Fed decision and pushed the price just below Tuesday's 1.2058 low. The strong rally after Powell's comments sent EUR/USD to 1.2125 at the close, resulting in a 'bullish outside day'. More importantly, EUR/USD closed above a trend-line that is drawn from the Jan 6 high at 1.2349 and came in at 1.2114. The next level of resistance is 1.2196, the 76.4 Fibonacci retracement of this year's 1.2349-1.1704 decline, followed by the Feb 25 high at 1.2243. The likely target for the current trend is a full retracement to the year's 1.2349 high.

Forex Market

POUND STERLING



CLOSE
1.3932

1M %chg
1.05%

3M %chg
1.56%

Sterling up after Fed hold, steady APP; Fed awaiting substantial progress - Reuters

28-Apr-2021 11:54:40 PM

* GBP/USD ending NorAm +0.06% at 1.3918, Wednesday Range 1.3922-1.3863

* Fed holds as exp'd; awaits substantial progress on emp/prices

* Will maintain current APP parameters, inflation rise seen as transitory

* GBP's cloud base support holds as early UST yield rise recedes

* GBP res 1.3950 Apr 21 high, then 1.3982 upper 30-d Bolli, 1.4009 Apr 20 high

* Supt 1.3839 50% of 1.3670-1.4009 Apr range, 1.3811 Apr 11 low; 1.3748 100DMA

TURKISH LIRA



CLOSE
0.1219

1M %chg
-0.73%

3M %chg
-10.43%

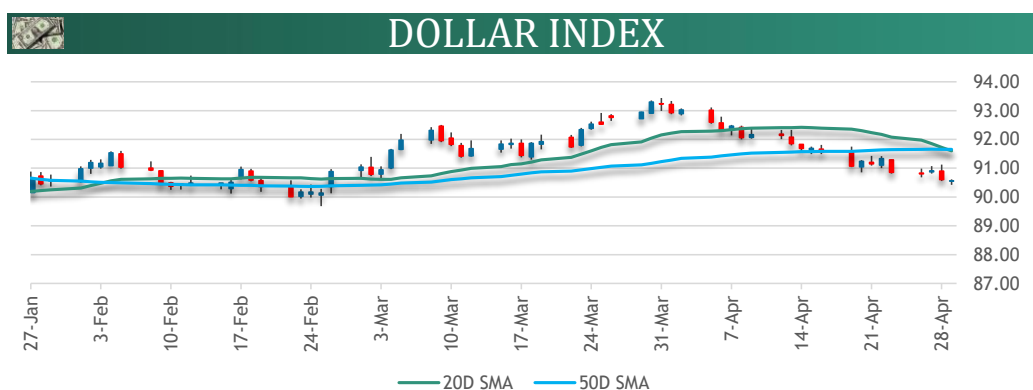
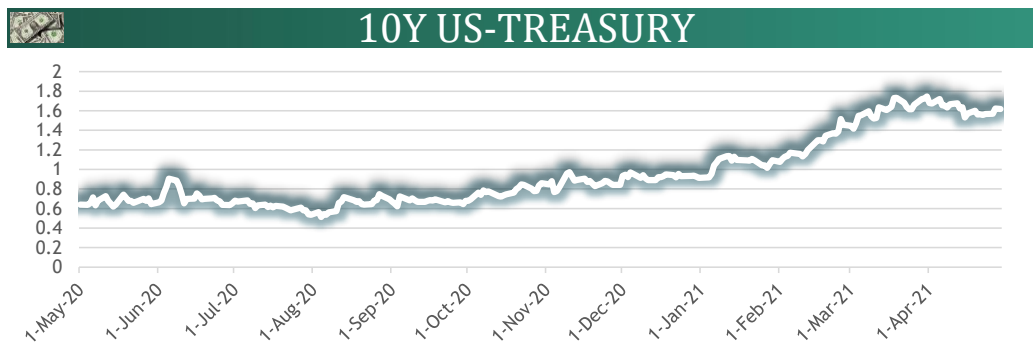
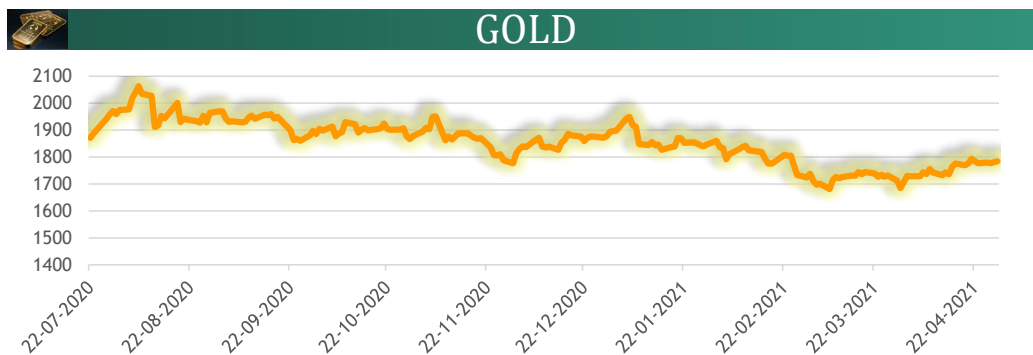
Turkey - Factors to Watch on April 29 - Reuters News

29-Apr-2021 09:55:06 AM

ANKARA, April 29 (Reuters) - The lira TRYTOM=D3 closed at 8.2 on Wednesday. The main BIST 100 share index .XU100 fell 0.44% to 1,385.91 points on Wednesday.

Turkey's central bank will announce weekly data on reserves, as well as Turks' forex holdings and governments bonds and stocks held by foreigners (1130 GMT). Turkey recorded 341 deaths due to COVID-19, data from the Health Ministry showed on Wednesday, bringing the total toll to 39,398. It also recorded another 40,444 cases.

Gold, US Treasury & Dollar Index



US 10YT YIELD

1.62

1M %chg

-2.41%

3M %chg

53.55%

PRECIOUS-Gold gains after U.S. Fed maintains accommodative stance

29-Apr-2021 06:53:00 AM

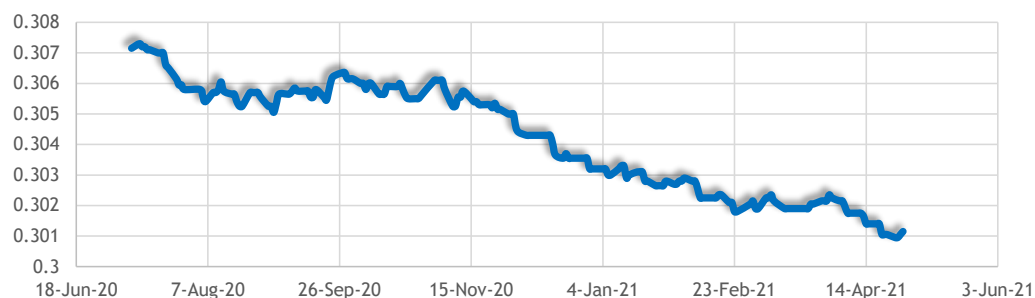
April 29 (Reuters) - Gold prices rose on Thursday bolstered by the U.S. Federal Reserve's pledge to maintain easy monetary policy to aid economic recovery, while a weaker dollar provided further support. Spot gold XAU= was up 0.2% at \$1,784.94 per ounce by 0101 GMT, having dipped to \$1,762 in the previous session, its lowest since April 16. U.S. gold futures GCv1 rose 0.6% to \$1,784.50 per ounce. The dollar index .DXY edged 0.1% lower against its rivals, boosting gold's appeal for other currency holders. The Federal Reserve held interest rates and its bond-buying program steady on Wednesday after its two-day policy meet despite taking a rosier view of the U.S. economic recovery. Silver XAG= gained 0.6% to \$26.34 per ounce. Platinum XPT= was up 0.3% at \$1,222.93.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
CPI Tokyo Ex fresh food YY	JP	29-Apr 05:00	Apr	-0.1	0.0
Jobs/Applicants Ratio*	JP	29-Apr 05:00	Mar	1.09	1.09
Unemployment Rate*	JP	29-Apr 05:00	Mar	2.9	2.9
Unemployment Rate*	JP	29-Apr 05:00	Mar	2.9	2.9
Foreign Invest JP Bonds	JP	29-Apr 05:20	w/e	353.2	
Foreign Stock Investment	JP	29-Apr 05:20	w/e	-1145.1	
Industrial Sentiment	EU	29-Apr 14:30	Apr	2.0	4.0
Consumer Confid. Final	EU	29-Apr 14:30	Apr	-8.1	-8.1
Economic Sentiment	EU	29-Apr 14:30	Apr	101.0	102.2
Services Sentiment	EU	29-Apr 14:30	Apr	-9.3	-8.7
Money-M3 Annual Grwth*	EU	29-Apr 15:30	Mar	13.3	10.2

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.2089	1.2134	1.2054	1.2123	0.27%
GBP	1.3914	1.395	1.3859	1.3932	0.14%
JPY	108.73	109.07	108.56	108.59	-0.08%
TRY	0.1214	0.1225	0.121	0.1219	0.25%
Dollar Idx	90.898	91.128	90.553	90.609	-0.33%
Brent	66.58	67.85	66.13	67.27	1.28%
WTC	-	-	-	63.81	1.24%
Gold	1776.41	1782.2	1762	1781.3237	0.26%
KWSE Index	6083.24	6134.55	6080.49	6131.14	0.94%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	0.63	3M	1.50
SW	0.88	6M	1.69
1M	1.25	1Y	2.00

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30115

-0.54%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	28-Oct-'20	0.88	1.00	-0.13
1W Repo Rate	28-Oct-'20	1.13	1.25	-0.13
1M Repo Rate	28-Oct-'20	1.63	1.75	-0.13
KWD ON Rate	28-Oct-'20	10.00	10.00	0.00
Discount Rate	28-Oct-'20	1.50	1.50	0.00

LIBOR RATES

Tenor	Value	Tenor	Value
ON	0.07	3M	0.18
SW	0.09	6M	0.21
1M	0.11	1Y	0.28
2M	0.15		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	15-Mar-'20	0.25	0.25	0.00
ECB Refinancing Rate	10-Mar-'16	0.00	0.05	-0.05
BOE Bank Rate	19-Mar-'20	0.10	0.25	-0.15
BOJ Prime Rate	12-Aug-'20	1.00	1.05	-0.05
TRY ON Lending Rate	18-Mar-'21	20.50	18.50	2.00

KEY INTERNATIONAL STORIES

U.S. goods trade deficit vaults to record high in March

WASHINGTON, April 28 (Reuters) - The U.S. trade deficit in goods jumped to a record high in March, suggesting trade was a drag on economic growth in the first quarter, but that was likely offset by robust domestic demand amid massive government aid. Economic activity in the United States has rebounded more quickly compared to its global rivals. The pent-up demand is drawing in imports, eclipsing a recovery in exports and keeping the overall trade deficit elevated. The report from the Commerce Department on Wednesday also showed inventories at retailers were drawn down in March, underscoring the strong domestic demand.

Fed nods to strengthening economy but waves off policy shift talk

WASHINGTON, April 28 (Reuters) - The Federal Reserve on Wednesday took a rosier view of the U.S. economic recovery and the nation's war against the coronavirus, but said it was too early to consider rolling back its emergency support with so many workers still left jobless by the pandemic. "It is not time yet" to begin discussing any change in policy, Fed Chair Jerome Powell told reporters after the release of a policy statement in which the U.S. central bank left interest rates and its bond-buying program unchanged. "We are 8.5 million jobs below February 2020," Powell said. "We are a long way from our goals ... It is going to take some time."

ECB's Lagarde sees rapid rebound as vaccinations take off

FRANKFURT, April 28 (Reuters) - The euro zone economy is set for rapid growth in the second half of the year as the deployment of coronavirus vaccines surges and life starts to return to normal, European Central Bank President Christine Lagarde said on Wednesday. Less than a quarter of the bloc's population has received their first shot so far and much of Europe is still in economic lockdown as the immunisation campaign is progressing painfully slowly. "By all accounts it seems that (by) the end of June, about 70% of the population should be vaccinated at least with the first jab," Lagarde told an online event of the Aspen Security Forum.

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With eye on election, Australia ditches austerity for economic repair

SYDNEY, April 29 (Reuters) - Australia's conservative government has abandoned a decade of "debt and deficit disaster" rhetoric, as it focuses on running the economy hot and driving the jobless rate lower heading into its next election. Treasurer Josh Frydenberg on Thursday provided a foretaste of the government's spending plans due to be announced in a Budget on May 11, saying "the best way to repair the Budget is to repair the economy" in a remarkable shift to policy. Before the coronavirus pandemic pushed Australia's A\$2 trillion (\$1.6 trillion) economy into recession, Australia's government led by Prime Minister Scott Morrison was focussed on bringing the budget to black.

Brazil's consumer confidence rises in April on economic recovery optimism

BRASILIA, April 28 (Reuters) - Consumer confidence in Brazil rose in April, a survey indicated on Wednesday, the biggest rise in nine months as households looked through the second wave of the pandemic to a brighter economic landscape in the coming months. The FGV's consumer confidence index rose 4.3 points to 72.5 points in April, the biggest rise since July last year. The current situation index rose 0.5 points while the expectations index jumped 6.7 points, FGV said. The rise in confidence was spread across all income brackets apart from those earning between 2,001 and 4,800 reais (\$367-\$880) a month, FGV said.

Oil prices extend gains as demand outlook offsets India concerns

SINGAPORE, April 29 (Reuters) - Oil prices extended gains on Thursday after rising 1% the previous session, as bullish forecasts on recovering demand this summer offset concerns of rising COVID-19 cases in India, Japan and Brazil. Brent crude LCOc1 for June edged up 8 cents, or 0.1%, to \$67.35 a barrel by 0104 GMT while U.S. West Texas Intermediate crude CLc1 for June was at \$63.98 a barrel, up 12 cents, or 0.2%. OPEC, Russia and their allies, a group known as OPEC+, stuck to their plans for a gradual easing of oil production restrictions from May to July, after OPEC raised slightly its demand growth for 2021 to 6 million barrels per day.