



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

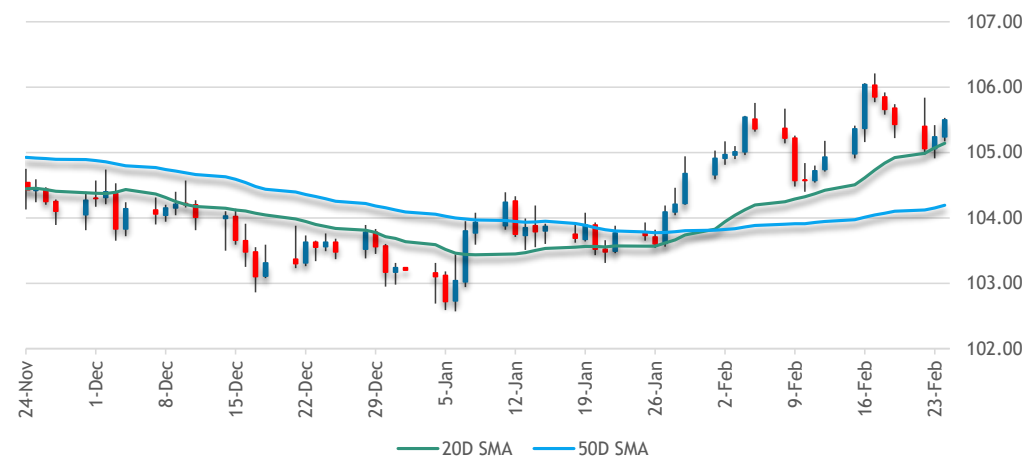
## KFH Treasury



*Report produced on*  
**Wed, 24-Feb-2021**

# Forex Market

## JAPANESE YEN



CLOSE **105.24** 1M %chg **1.42%** 3M %chg **0.67%**

### USD/JPY bid into, after Tokyo fix, importers have field day - Reuters

24-Feb-2021 07:33:04 AM

- \*USD/JPY very well bid in Tokyo, from 105.19 early to 105.50 EBS
- \*Pair down to 104.92 yesterday but offshore player short-covering since
- \*Talk too of Japanese importer leave orders being filled, some large
- \*Importer Tokyo fix demand, more after too, USD/JPY lowest in two weeks
- \*Japanese exporters offers up top however from 105.50, offers trail up
- \*Seems core 105-106 range in making, a sell above 106, a buy sub-105
- \*Relatively firm US yields supportive, Treasury 10s @1.339%
- \*Asia more risk off, Nikkei -0.85 @29,923, other Asia off to varying degrees
- \*Crosses better bid on carry, GBP/JPY shines, 148.33 to 150.07

## EURO



CLOSE **1.2149** 1M %chg **-0.15%** 3M %chg **2.61%**

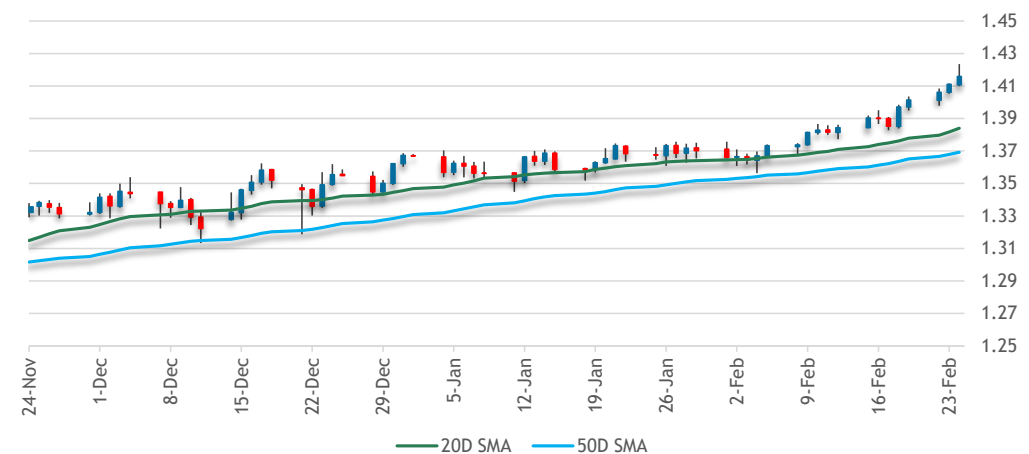
### EUR/USD-Underpinned in whippy Asian session - Reuters News

24-Feb-2021 07:33:58 AM

- \*EUR/USD opened little changed at 1.2150 after Powell comments helped it off lows
- \*After trading at 1.2143 it pushed up to 1.2163 when risk currencies went bid
- \*Heading into the afternoon it settled around 1.2150.55
- \*Resistance is at the 61.8 of 1.2349/1.1952 move at 1.2097
- \*A break above 1.2200 would likely encourage fresh buying
- \*Support is found at the 10-day MA at 1.2119 and 21-day MA at 1.2095

# Forex Market

## POUND STERLING



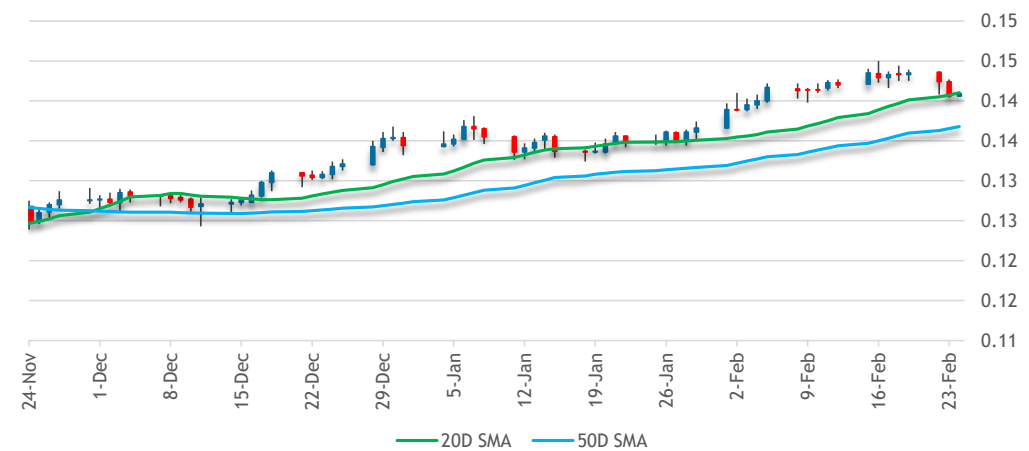
CLOSE **1.4110** 1M %chg **3.11%** 3M %chg **5.91%**

### Sterling bulls charge above 1.41, hold nearby after dovish Powell musings - Reuters

23-Feb-2021 10:17:32 PM

- \*Another new 34-month high for GBP/USD at 1.4117, ending NY +0.21% at 1.4093
- \*USD dipped from early session high after dovish Powell comments
- \*Sterling fall back from trend high near 1.41, eyes another rise
- \*Daily/wkly Bolli's, MA's point north, hints at further gains
- \*Significant reverse knock-in opt int at 1.41 leaves mkt long from lwr lvls
- \*Bulls target 100MMA 1.4144, then 1.4221 50% Fib projection from 1.3566 low
- \*EUR/GBP ends NY -0.29% at 0.8617, Tues range 0.8653-15; cross trades at new 11-mos low

## TURKISH LIRA



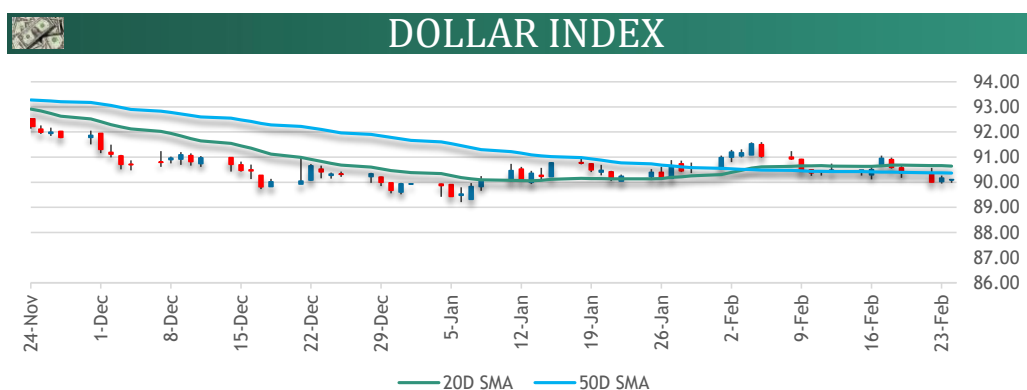
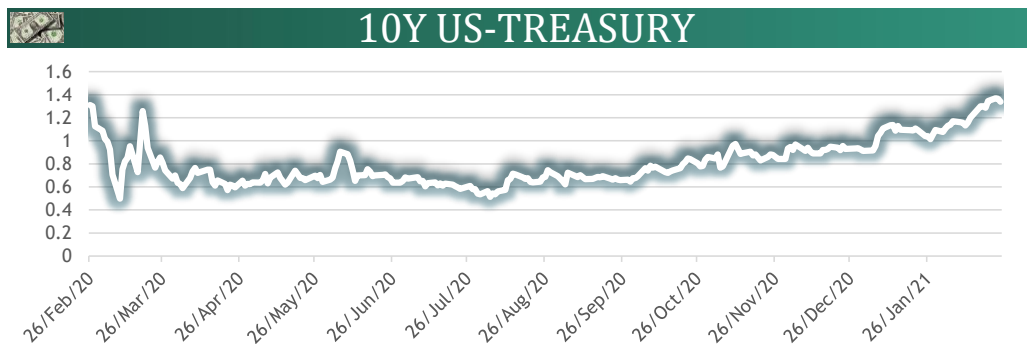
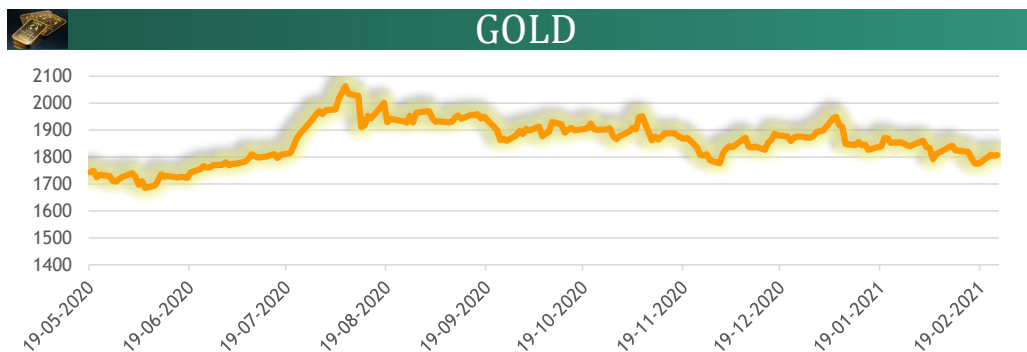
CLOSE **0.1406** 1M %chg **4.30%** 3M %chg **10.88%**

### Small USD/TRY bounce may be the chance bears hope for - Reuters

23-Feb-2021 06:23:38 PM

- \*USD/TRY rallying 6.90 to 7.0680 in past 5 days
- \*The 2.4% rise follows pair almost meeting major fibo target
- \*6.8867 is a 61.8% retracement of last's years rally (5.84-6.58)
- \*6.90 was stoutly defended by Turkey's CB for a period last summer
- \*Pair is rising towards pots of likely resistance
- \*21-DMA 7.1127 and 38.2% 2021's drop 7.54-6.90 is 7.1445
- \*Risk appetite is buoyant, TRY should continue to attract

# Gold, US Treasury & Dollar Index



US 10YT YIELD

**1.34**

1M %chg

**25.02%**

3M %chg

**58.79%**

## Gold gains as Fed Chair Powell defends loose monetary policy

24-Feb-2021 05:45:00 AM

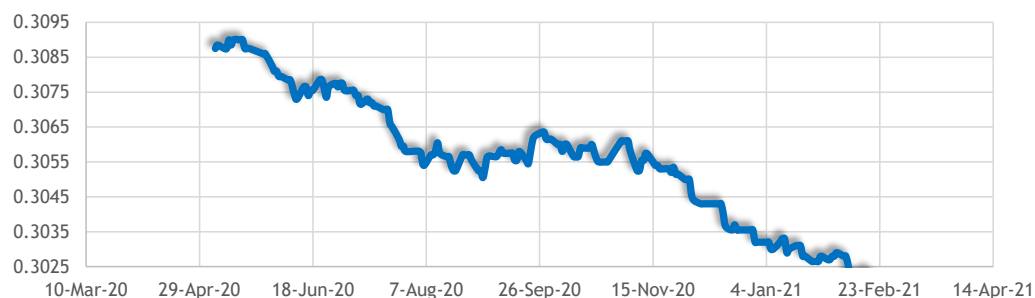
Gold prices inched higher on Wednesday as Federal Reserve Chair Jerome Powell said the central bank would keep monetary policy accommodative as the U.S. economy still needed support. Spot gold XAU= rose 0.2% to \$1,809.17 per ounce by 0111 GMT, having hit its highest since Feb. 16 at \$1,815.63 on Tuesday. U.S. gold futures GCv1 gained 0.1% to \$1,807.30. The dollar .DXY eased against rivals, making gold cheaper for holders of other currencies. SPDR Gold Trust GLD, the world's largest gold-backed exchange-traded fund, said its holdings fell 0.4% to 1,110.44 tonnes on Tuesday from 1,115.4 tonnes on Monday. Silver XAG= rose 0.4% to \$27.73 an ounce. Platinum XPT= climbed 1.4% to \$1,253.76, while palladium XPD= added 0.4% to \$2,360.69.

## UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
MBA 30-Yr Mortgage Rate	US	24-Feb 16:00	w/e	2.98	
MBA Mortgage Applications	US	24-Feb 16:00	w/e	-5.1	
MBA Purchase Index	US	24-Feb 16:00	w/e	299.5	
Mortgage Refinance Index	US	24-Feb 16:00	w/e	4337.0	
Build Permits R Numb*	US	24-Feb 17:00	Jan	1.881	
New Home Sales Chg MM *	US	24-Feb 19:00	Jan	1.6	2.1
CPI Tokyo Excl Food & Energy M/	JP	25-Feb 03:30	Feb	0.2	
CPI Tokyo Excl Food & Energy Y/	JP	25-Feb 03:30	Feb	0.3	
CPI Tokyo Ex fresh food YY	JP	25-Feb 03:30	Feb	-0.4	-0.4
CPI, Overall Tokyo	JP	25-Feb 03:30	Feb	-0.5	
Foreign Bond Investment	JP	25-Feb 03:50	w/e	477.1	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.2154	1.2179	1.2134	1.2149	-0.04%
GBP	1.4061	1.4116	1.4052	1.411	0.35%
JPY	105.06	105.42	104.91	105.24	0.17%
TRY	0.1424	0.1427	0.1404	0.1406	-1.26%
Dollar Idx	90.023	90.264	89.943	90.169	0.18%
Brent	65.51	66.79	64.47	65.37	0.20%
WTC	-	-	-	61.66	-0.02%
Gold	1808.71	1815.63	1795.3835	1805.06	-0.20%
KWSE Index	5688.03	5697.38	5639.68	5656.84	-0.75%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	0.56	3M	1.50
SW	0.88	6M	1.75
1M	1.19	1Y	1.94

## CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

**0.30180**

**-1.11%**

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	0.08	3M	0.18
SW	0.09	6M	0.20
1M	0.11	1Y	0.29
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	24-Dec-'20	18.50	16.50	2.00

## KEY INTERNATIONAL STORIES

### Powell says economy still needs Fed support, pushes back on inflation worries

WASHINGTON, Feb 23 (Reuters) - Federal Reserve Chair Jerome Powell, pushing back on suggestions that loose monetary policy risked unleashing inflation and financial risks in what may be an emerging economic boom, said the central bank would keep its attention focused on getting Americans back to work as a vaccine-related recovery proceeds. Interest rates will remain low and the Fed's \$120 billion in monthly bond purchases will continue "at least at the current pace until we make substantial further progress towards our goals ... which we have not really been making,"

### UK jobless rate hits 5.1% as Sunak readies more job support

LONDON, Feb 23 (Reuters) - Britain's jobless rate rose to 5.1% in the last three months of 2020, its highest in nearly five years but still lower than it would have been without a huge coronavirus jobs support scheme that finance minister Rishi Sunak looks set to extend next week. Separate data from the Office for National Statistics showed that the number of employees on company payrolls in January rose by 83,000 from December, the second monthly increase and its biggest since January 2015. The jobless rate was in line with the median forecast in a Reuters poll of economists.

### More expensive services lead euro zone inflation rebound in Jan

BRUSSELS, Feb 23 (Reuters) - More expensive services and industrial goods led a rebound in inflation in January after months of falling prices, offsetting the downward pull of cheaper energy, data showed on Tuesday. The EU's statistics office Eurostat confirmed earlier estimates that consumer prices in the 19 countries sharing the euro rose 0.2% month-on-month for a 0.9% year-on-year increase, as expected by economists. Volatile energy prices were 3.8% higher on the month but still 4.2% lower than a year earlier and unprocessed food was 1.2% more expensive on the month and 2.0% year-on-year.

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### Hong Kong Jan home prices edge up as optimism returns to market

HONG KONG, Feb 24 (Reuters) - Hong Kong's home prices snapped three months of decline in January, official data showed on Wednesday, starting 2021 with a modest gain amid a jump in launches and optimism that new vaccines will speed up the economic recovery. Private home prices in one of world's most expensive markets climbed 0.13% last month, according to the data, compared with a revised 0.3% drop in December. Prices still rose 0.08% in the full year of 2020 amid the coronavirus pandemic, barely extending a run of increases dating back to 2009 when prices were only a third of the current level.

### Australian record-low wages growth cements lower-for-longer rate view

SYDNEY, Feb 24 (Reuters) - Australian wages grew at the slowest pace on record last quarter, data on Wednesday showed, pointing to the mountainous challenge policymakers face in boosting inflation to desired levels. The official wage price index rose 0.6% in the three months to end December, the Australian Bureau of Statistics (ABS) reported, double what analysts had forecast. Annual wage growth slowed to 1.4%, the weakest pace on record but better than forecasts for a 1.1% rise. The stronger-than-expected outcome was influenced by businesses rolling back short-term wage reductions, returning salaries to pre-COVID levels, the ABS said.

### Oil slips after U.S. crude stocks rise amid deep freeze hit to refiners

MELBOURNE, Feb 24 (Reuters) - Oil prices fell in early trade on Wednesday after industry data showed U.S. crude inventories unexpectedly rose last week as a deep freeze in the southern states curbed demand from refineries that were forced to shut. API data showed refinery crude runs fell by 2.2 million bpd. U.S. West Texas Intermediate (WTI) crude CLc1 futures were down 55 cents or 0.9% at \$61.12 a barrel at 0136 GMT, after slipping 3 cents on Tuesday. Brent crude LCOc1 futures fell 38 cents, or 0.6%, to \$64.99 a barrel, erasing Tuesday's 13 cents gain.