



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

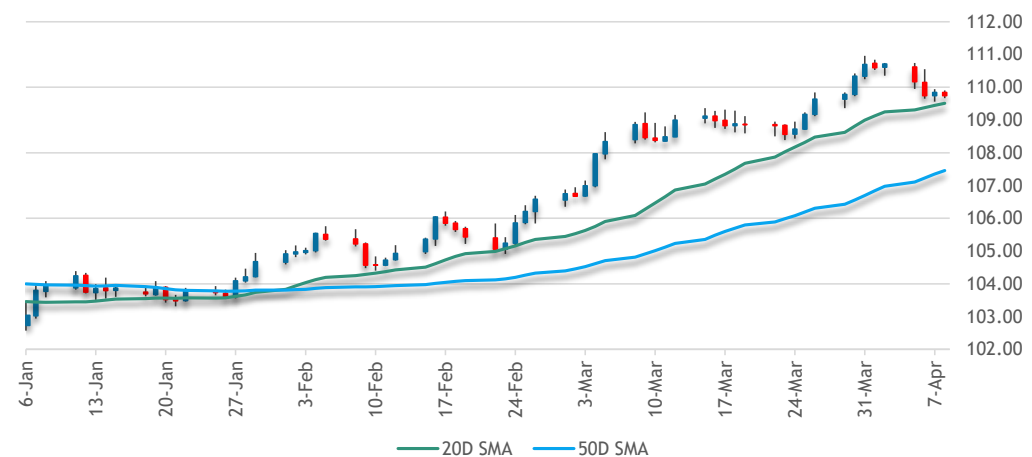
KFH Treasury



Report produced on
Thu, 08-Apr-2021

Forex Market

JAPANESE YEN



CLOSE **109.84** 1M %chg **1.38%** 3M %chg **5.82%**

USD/JPY on hold between 109.50-110.00, new battle lines - Reuters

08-Apr-2021 07:39:54 AM

- *USD/JPY new battle lines drawn, bids towards 109.50, offers from @110.00
- *Asia range 109.70-90 so far, tad heavy, yesterday 109.58-94
- *Japanese importers eyeing buys on dips, exporters back in topside
- *In-bound M&A flows too? Toshiba, Hitachi deals
- *Lower Japan rates, weaker JPY also upping JPY funding
- *Latter has opposite implications if currency flips ensue
- *Bounce in US yields from NY lows supportive, Treasury 10s @1.668%
- *Risk mood mixed in Asia, Nikkei -0.4% @29,620, gains elsewhere
- *JPY crosses trade heavy, EUR/JPY 130.19-44, a fade?
- *GBP/JPY 150.68-99, 150.62 low yesterday, AUD/JPY 83.42-66

EURO



CLOSE **1.1870** 1M %chg **-0.39%** 3M %chg **-3.26%**

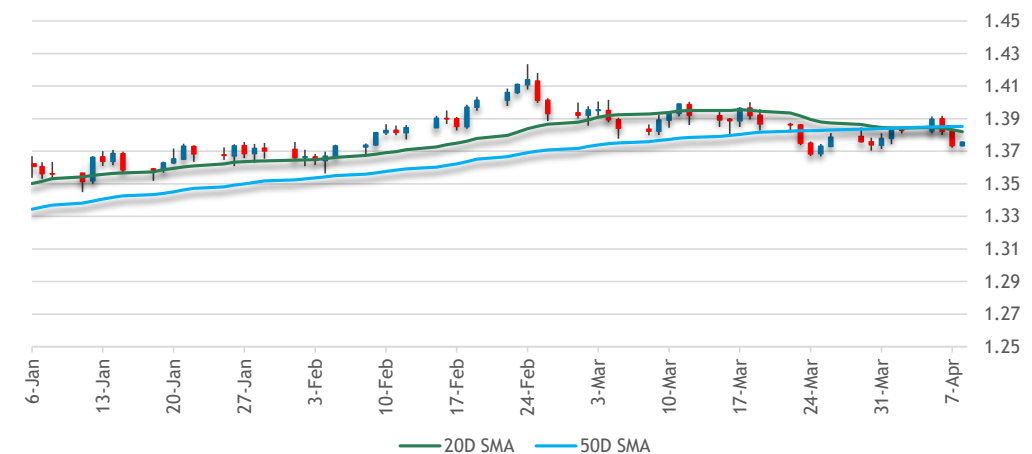
EUR/USD-Consolidates below 200-day MA in quiet Asia - Reuters News

08-Apr-2021 07:22:30 AM

- *EUR/USD opened unchanged around 1.1870 after failing above 1.1900
- *It traded with a heavy tone early Asia and edged down to 1.1861
- *Risk assets in Asian went bid late morning and helped underpin EUR/USD
- *Heading into the afternoon the EUR/USD was trading just below 1.1875
- *Resistance is @ the 200-day MA @ 1.1889 - close above would encourage bulls
- *Support is @ the 21-day MA @ 1.1852 and break would suggest a top is forming
- *Key will be the moves in US yields and EZ progress on vaccine rollout

Forex Market

POUND STERLING



CLOSE
1.3734

1M %chg
-0.77%

3M %chg
1.26%

GBP/USD-Longs struggle - 1.3671 March base is key support - Reuters

08-Apr-2021 03:25:54 AM

- *Flat after closing off 0.6% with EUR/GBP up 0.6%, as sterling longs exit
- *No real catalyst for this week's selloff, apart from market being long
- *UK launches a welcome package for resettling Hong Kongers
- *Charts; Daily momentum studies crest, 5, 10 & 21 DMAs fall
- *21 day Bollinger bands are tracking lower - bearish setup
- *Key levels are 1.3671 March low and 1.3919 April high
- *Sustained 1.3670 break would initially target 1.3637, 76.4% 2021 rise
- *NY 1.3725 NY low and 1.3837 London high are initial support resistance

TURKISH LIRA



CLOSE
0.1222

1M %chg
-7.84%

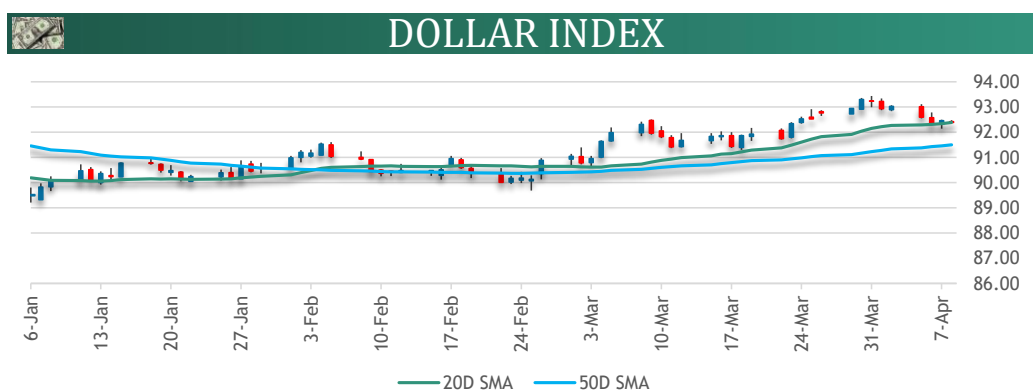
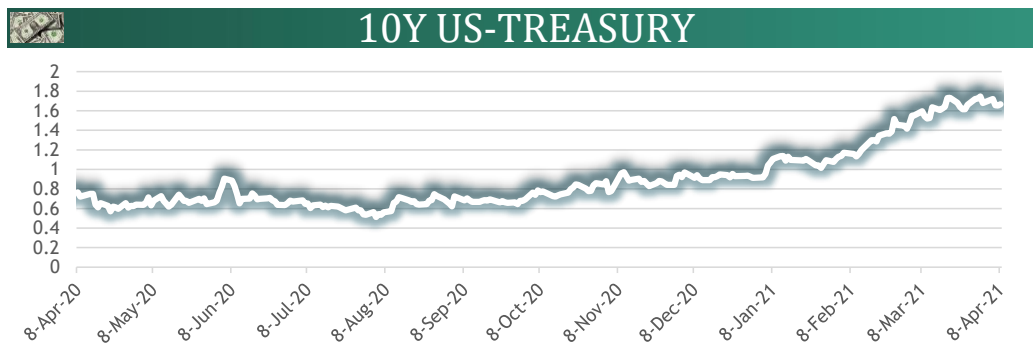
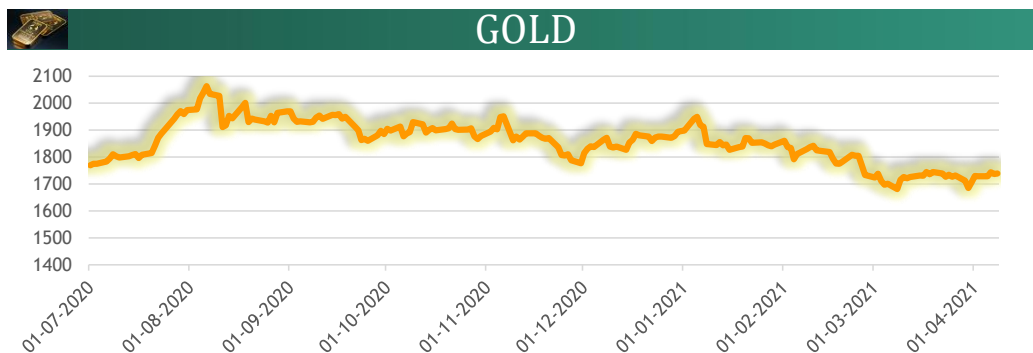
3M %chg
-10.48%

Turkish cenbank to hold rates in new chief's first decision - Reuters News

07-Apr-2021 05:17:21 PM

ANKARA, April 7 (Reuters) - Turkey's central bank is expected to hold interest rates at 19% next week at its first policy meeting after President Tayyip Erdogan rocked markets by installing as governor a like-minded critic of tight policy, a Reuters poll showed on Wednesday. New Governor Sahap Kavcioglu, who had criticised his predecessor's recent rate hikes, is expected to begin easing monetary policy TRINT=ECI earlier than previously thought, with a third of poll respondents expecting a cut before mid-year. Since taking the job, Kavcioglu has sought to ease investors' concerns about a sharp pivot and has pledged to keep policy tight for now due to high inflation. Eleven of 12 participants in the Reuters poll expected the bank to hold steady at 19%, among the tightest policy stances globally. One economist predicted a cut to 18.50%.

Gold, US Treasury & Dollar Index



US 10YT YIELD

1.67

1M %chg

6.44%

3M %chg

54.44%

Gold prices slip as equities gain after Fed minutes

08-Apr-2021 06:10:00 AM

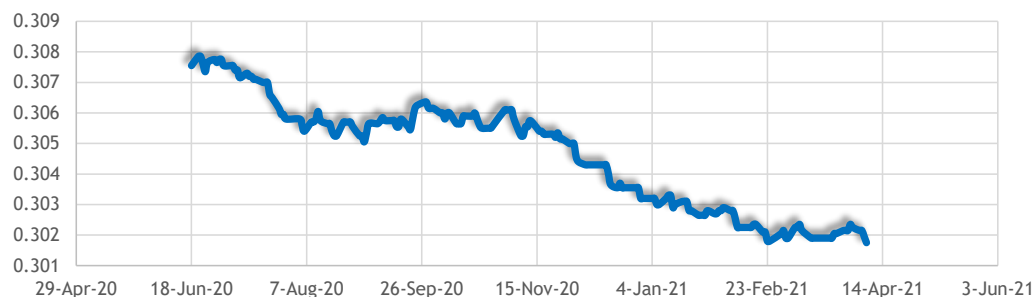
Gold prices slipped on Thursday as investors turned to riskier assets after the U.S. Federal Reserve's latest meeting minutes indicated continued policy support and cemented hopes of a quick economic turnaround. Spot gold XAU= inched down 0.03% to \$1,736.76 per ounce at 0149 GMT. U.S. Gold futures GCv1 fell 0.3% to \$1,736.50 per ounce. SPDR Gold Trust GLD, the world's largest gold-backed exchange-traded fund, said its holdings fell 0.35 tonne to 1,028.69 tonnes on Wednesday from 1,029.04 tonnes on Tuesday. The National Bank of Hungary (NBH) said it had tripled the country's gold reserves to 94.5 tonnes, its highest level in decades. Silver XAG= fell 0.3% to \$25.03 and palladium XPD= was down 0.2% to \$2,617.71. Platinum XPT= rose 0.1% to \$1,226.16.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Consumer Confid. Index*	JP	08-Apr 09:00	Mar	33.8	
Economy Watchers Poll SA*	JP	08-Apr 10:00	Mar	41.3	
Markit/CIPS Cons PMI	GB	08-Apr 12:30	Mar	53.3	54.6
Producer Prices MM	EU	08-Apr 13:00	Feb	1.4	0.6
Producer Prices YY	EU	08-Apr 13:00	Feb	0.0	1.4
Overall Comprehensive Risk	GB	08-Apr 13:00	Q2	9.07	
Jobless Clm 4Wk Avg*	US	08-Apr 16:30	w/e	719.00	
Cont Jobless Clm*	US	08-Apr 16:30	w/e	3.794	3.650
Nat Gas-EIA Implied Flow*	US	08-Apr 18:30	w/e	14	
Overall Comprehensive Risk	JP	09-Apr 07:00	Q2	9.10	
Halifax House Prices YY*	GB	09-Apr 11:30	Mar	5.20	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1873	1.1914	1.1859	1.187	-0.04%
GBP	1.3823	1.3839	1.3722	1.3734	-0.64%
JPY	109.74	109.94	109.56	109.84	0.09%
TRY	0.1227	0.1229	0.1214	0.1222	-0.33%
Dollar Idx	92.32	92.499	92.137	92.455	0.13%
Brent	62.6	63.55	61.6	63.16	0.67%
WTC	-	-	-	59.77	0.72%
Gold	1742.71	1744.042	1729.5	1737.28	-0.36%
KWSE Index	5851.99	5867.3	5846.36	5867.26	0.29%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	0.63	3M	1.50
SW	0.94	6M	1.69
1M	1.25	1Y	2.00

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30175

-0.41%

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	0.20
SW	0.09	6M	0.20
1M	0.11	1Y	0.29
2M	0.14		

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

Fed expects to keep supporting economy 'for some time,' minutes show

WASHINGTON, April 7 (Reuters) - Federal Reserve officials remain wary about the ongoing risks of the coronavirus pandemic and are committed to bolstering the economy until its recovery is more secure, minutes of the U.S. central bank's latest policy meeting showed on Wednesday. With their own forecasts projecting the strongest run of U.S. economic growth in nearly 40 years, "participants agreed that the economy remained far from the (Fed's) longer-run goals and that the path ahead remained highly uncertain," the minutes from the March 16-17 meeting said.

UK firms step up hiring as lockdown nears end

LONDON, April 8 (Reuters) - British companies sharply stepped up hiring and offered higher pay to new staff last month as they grew more confident about economic recovery and prepared for COVID restrictions to ease, a recruiters body said on Thursday. The Recruitment and Employment Confederation said employers hired permanent staff at the fastest rate in six years and spending on temporary staff rose by the most since November 2017. "Business confidence is starting to flow back, even at this early stage of unlocking," REC chief executive Neil Carberry said.

Euro zone business activity expanded in March despite lockdowns

LONDON, April 7 (Reuters) - Euro zone business activity bounced back to growth last month, underpinned by a record expansion in manufacturing, according to a survey on Wednesday that also showed the service industry was coping better than expected with new lockdowns. IHS Markit's Services Purchasing Managers' Index rose to 49.6 in March from February's 45.7, much higher than a flash estimate of 48.8 and only just shy of the 50 mark that separates growth from contraction. A composite PMI, combining manufacturing and services and seen as a good gauge of economic health, rose to 53.2 from 48.8.

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Japan households' confidence hits 8-year high, inflation expectations rise

TOKYO, April 7 (Reuters) - Japanese households' inflation expectations rose in March from three months ago and their confidence on the economic outlook improved to an eight-year high, a central bank survey showed, a sign the initial pain from the coronavirus pandemic was healing. The outcome offers some relief to policymakers struggling to balance the need to prevent a resurgence of COVID-19 infections while sustaining a moderate economic recovery. The ratio of households which expect prices to rise a year from now stood at 62.4% in March, up from 60% in December, the Bank of Japan's survey showed on Wednesday.

Canada's Ivey PMI jumps to 10-year high as activity accelerates in March

TORONTO, April 7 (Reuters) - Canadian economic activity expanded at its fastest pace in 10 years in March as a measure of employment climbed, Ivey Purchasing Managers Index (PMI) data showed on Wednesday. The seasonally adjusted index rose to 72.9 from 60.0 in February, surpassing analysts' expectations for 60.5. It was the highest level for the index since March 2011 and the second highest since the PMI was launched in 2000. The Ivey PMI measures the month-to-month variation in economic activity as indicated by a panel of purchasing managers in the public and private sectors from across Canada.

Oil falls after U.S. gasoline inventories unexpectedly surge

TOKYO, April 8 (Reuters) - Oil prices fell on Thursday after official figures showed a big increase in U.S. gasoline stocks, causing concerns about demand for crude weakening in the world's biggest consumer of the resource at a time when supplies around the world are rising. Brent crude LCOc1 eased 36 cents, or 0.6%, to \$62.80 a barrel by 0136 GMT. U.S. oil CLc1 fell 38 cents, or 0.6%, to \$59.39 a barrel. While crude stocks in the United States fell more than forecast by analysts, gasoline inventories jumped sharply, also against expectations, the Department of Energy said on Wednesday.