



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

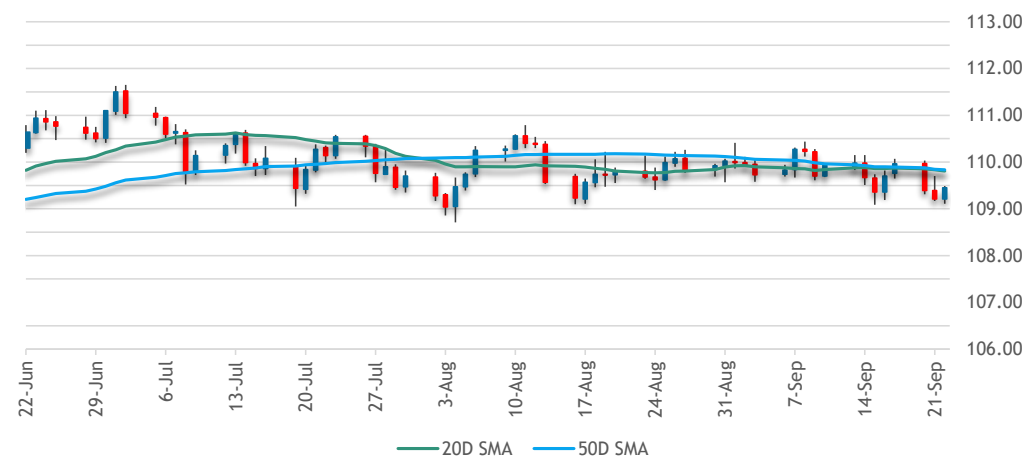
KFH Treasury



Report produced on
Wed, 22-Sep-2021

Forex Market

JAPANESE YEN



CLOSE **109.21** 1M %chg **-0.54%** 3M %chg **-0.99%**

USD/JPY-Remains near month's lows as haven yen risk hedges persist - Reuters

22-Sep-2021 12:19:33 AM

- * USD/JPY broke Monday's risk-off lows, nearing Sept's 109.11 nadir
- * Haven yen still in demand as a hedge against more stocks selling
- * 109.115 was also the mid-August swing low, bids circa 109 since July
- * Prices lingering close to range lows with shallower rebounds in Sep
- * Closes below 109 and Aug's 108.725 swing low on EBS are sell signals
- * 10-week Bolli band and ATR projected base are also at 108.84/87
- * Post-Fed price action probably more telling re range breakouts
- * Large, but shrinking spec longs likely weighing on prices

EURO



CLOSE **1.1723** 1M %chg **0.23%** 3M %chg **-1.61%**

EUR/USD-Opens unchanged as market waits for Fed decision - Reuters News

22-Sep-2021 04:45:44 AM

- * EUR/USD opens at 1.1725/30 for third consecutive day
- * It traded to 1.1748 in Europe before equity market gains evaporated
- * EUR/USD neutral as market bought JPY and CHF and sold risk currencies
- * EUR/USD buyers tipped at 1.1700 while sellers camp ahead of 1.1750
- * Range trading expected ahead of Fed decision late Wednesday
- * FOMC could create some volatility on mixed messaging
- * EUR/USD support is at the 2021 low at 1.1664
- * Resistance is at the 10-day mA at 1.1773 and break eases pressure

Forex Market

POUND STERLING



CLOSE

1.3659

1M %chg

0.28%

3M %chg

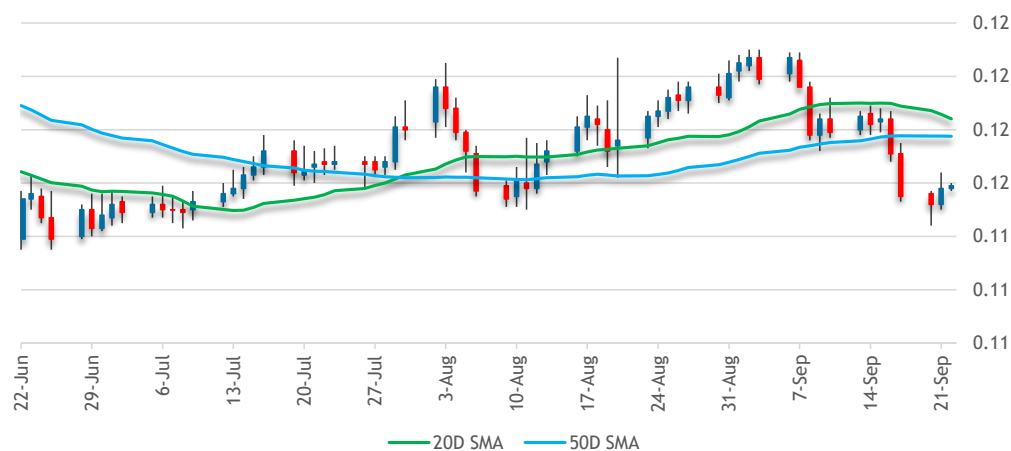
-1.94%

GBP/USD-Cable shorts await the Fed, may see big gains - Reuters

21-Sep-2021 10:03:14 PM

- * GBP/USD rallies toward 1.3695 overnight but gains fade in NY
- * Pair then drops toward Monday's low but drop stalls at 1.3641
- * Bounce takes hold and the pair nears flat, daily doji forms
- * Investors not being aggressive ahead of the looming Fed risk
- * Daily chart shows a large bear continuation pennant forming
- * If US\$ rallies after Fed the pennant base is likely to break
- * Break implies next leg of down trend beginning, big drop possible

TURKISH LIRA



CLOSE

0.1158

1M %chg

-1.53%

3M %chg

1.58%

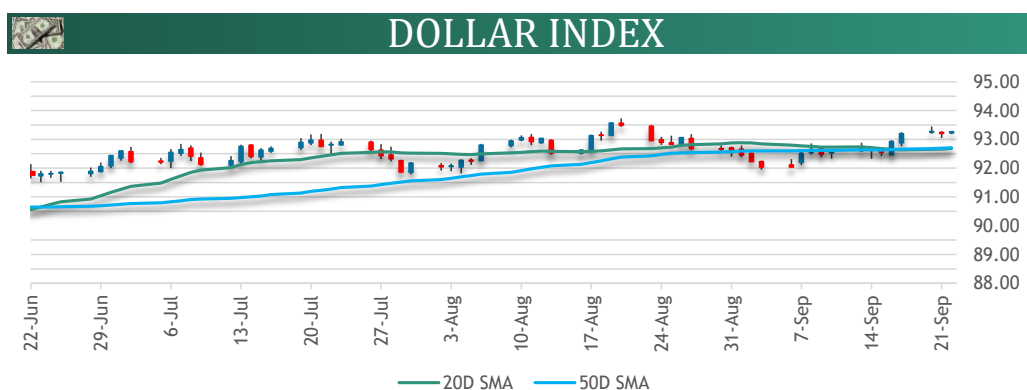
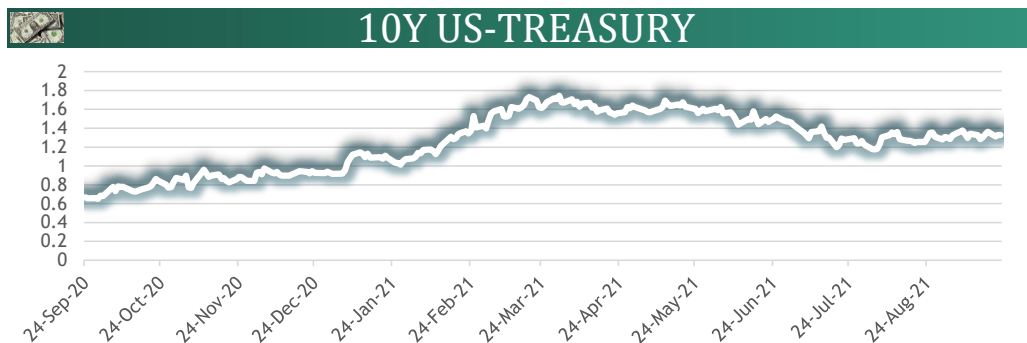
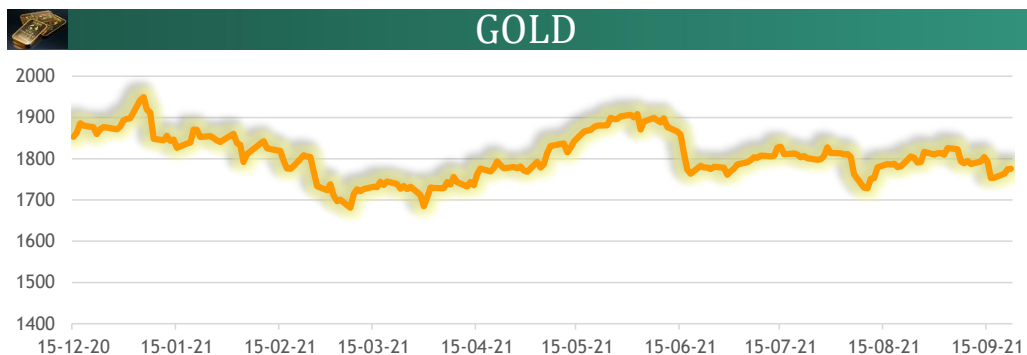
Turkey - Factors to Watch - Reuters News

22-Sep-2021 09:47:42 AM

ISTANBUL, Sept 22 (Reuters) - The lira TRYTOM=D3 was quoted at 8.62 against the dollar at 0408 GMT, after closing at 8.6250 on Tuesday. The main BIST 100 share index .XU100 fell 0.45% to 1,385.61 points on Tuesday.

Turkey logged 29,338 new COVID-19 cases on Tuesday, health ministry data showed, with the number of daily deaths standing at 260.

Gold, US Treasury & Dollar Index



US 10YT YIELD

1.33

1M %chg

5.79%

3M %chg

-11.32%

PRECIOUS-Gold flat as investors brace for Evergrande risks, Fed policy decision

22-Sep-2021 07:14:00 AM

Sept 22 (Reuters) - Gold prices were flat on Wednesday amid rising uncertainties triggered by China Evergrande's debt crisis and anticipation of policy cues from the U.S. Federal Reserve on its timeline for reducing stimulus for the world's largest economy. Spot gold XAU= was flat at \$1,775.63 per ounce, as of 0120 GMT, while U.S. gold futures GCv1 dipped 0.1% to \$1,776.30. Fed's two-day meet is due to conclude on Wednesday as investors focus on any new signals on when a taper may begin. The U.S. central bank is also likely to provide an outlook on interest rate hikes. Asian stock markets made a cautious start on Wednesday, while the dollar held firm near one-month high. Holdings of SPDR Gold Trust GLD, the world's largest gold-backed exchange-traded fund, fell 0.1% to 1,000.79 tonnes on Tuesday from 1,001.66 tonnes on Monday. Silver XAG= climbed 1.2% to \$22.74 per ounce, while palladium XPD= edged 0.2% higher to \$1,910.34.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
MBA Mortgage Applications	US	22-Sep 16:30	w/e	0.3	
Exist. Home Sales % Chg	US	22-Sep 19:30	Aug	2.0	
Consumer Confid. Flash	EU	22-Sep 19:30	Sep	-5.3	-5.8
Existing Home Sales	US	22-Sep 19:30	Aug	5.99	5.89
FFR Projection-Longer*	US	22-Sep 23:30	Q3	2.5	
Fed Funds Tgt Rate *	US	22-Sep 23:30	N/A	0.125	0.125
Fed Funds Tgt Rate *	US	22-Sep 23:30	N/A	0.125	0.125
GfK Consumer Confidence*	GB	23-Sep 04:31	Sep	-8	-8
CPI, Core Nationwide YY	JP	23-Sep 05:00	Aug	-0.2	0.0
CPI Less Food and Energy*	JP	23-Sep 05:00	Aug	99.5	
CPI MM NSA*	JP	23-Sep 05:00	Aug	0.2	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1724	1.1749	1.1713	1.1723	-0.02%
GBP	1.3655	1.3692	1.3639	1.3659	0.01%
JPY	109.39	109.7	109.17	109.21	-0.16%
TRY	0.1152	0.1164	0.115	0.1158	0.52%
Dollar Idx	93.239	93.285	93.052	93.204	-0.08%
Brent	74.33	75.18	73.26	74.36	0.60%
WTC	-	-	-	70.51	0.14%
Gold	1763.885	1781.65	1756.98	1774.2462	0.59%
KWSE Index	6851.91	6859.65	6842.46	6845.11	-0.41%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	0.56	3M	1.50
SW	0.88	6M	1.75
1M	1.25	1Y	2.00

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30095

-0.07%

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	0.13
SW	0.07	6M	0.15
1M	0.08	1Y	0.23
2M	0.10		

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. House approves bill to suspend debt limit, fund government

WASHINGTON, Sept 21 (Reuters) - Democrats in the House of Representatives passed a bill on Tuesday to fund the U.S. government through Dec. 3 and suspend the nation's borrowing limit until the end of 2022, sending it to the Senate where Republicans have vowed to block it. If Republicans stick by their refusal to support the measure in the Senate, Democrats will have to come up with a new strategy or quickly face the twin problems of a government in partial shutdown that is unable to pay its bills and the risk of a default for the first time in modern history.

UK inflation expectations show record jump in Sept -Citi/YouGov

LONDON, Sept 21 (Reuters) - The British public's expectations for inflation over the coming year have shot up by a record amount this month, raising the risk that the Bank of England will send a hawkish message soon, Citi said on Tuesday. The Citi/YouGov monthly inflation expectations survey showed that public inflation expectations for the next 12 months jumped to 4.1% in September from 3.1% in August, the biggest monthly increase since the survey began more than 15 years ago. Longer-term inflation expectations for the next five to 10 years rose to 3.8% in September from 3.5% in August.

ECB policymakers acknowledge growing inflation risk

FRANKFURT, Sept 21 (Reuters) - European Central Bank policymakers still see the recent inflation surge as temporary but a growing number appear to be acknowledging the risk that price growth may exceed their relatively benign projections. Inflation hit 3% last month, well above the ECB's 2% target and could even climb to 3.5% by November, but the bank then sees a rapid drop that will drag price growth back below 2% for years to come. A surge in commodity prices, supply bottlenecks and growing signs of labour shortages are however challenging this "hump-shaped" profile for consumer price growth.

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BOJ to keep stimulus as deflation risks, supply disruption cloud outlook

TOKYO, Sept 22 (Reuters) - The Bank of Japan is expected to keep monetary policy steady on Wednesday as weak growth and deflation risks remain primary concerns, in contrast to major counterparts eyeing a withdrawal of crisis-mode support for their economies. The rate review comes ahead of a ruling party leadership race on Sept. 29 that may shift the administration's focus away from the current stance based on former premier Shinzo Abe's "Abenomics" reflationist policies, analysts say. At the two-day meeting ending on Wednesday, the BOJ is set to maintain its short-term interest rate target at -0.1% and that for 10-year bond yields around 0%.

Brazil heading for monetary overkill?: Jamie McGeever

ORLANDO, Fla., Sept 21 (Reuters) - Brazil's central bank has put itself on the front line of the global battle against inflation, but its aggressive monetary tightening risks choking the economy. With annual inflation at 10%, the central bank will fail to meet its 3.75% central target this year and possibly next year's 3.50% goal too. A chronically weak currency and renewed concern over the public finances are only redoubling its commitment to raising rates. In many ways, it has little choice. It has a year-end target, with a 1.5 percentage point margin of error on either side, which does provide some leeway.

Oil rises on big decline in U.S. crude stocks

MELBOURNE, Sept 22 (Reuters) - Oil prices rose around 1% on Wednesday, extending overnight gains, after industry data showed U.S. crude stocks fell more than expected last week in the wake of two hurricanes, highlighting tight supply as demand improves. U.S. West Texas Intermediate (WTI) crude CLc1 futures rose 75 cents, or 1.1%, to \$71.24 a barrel at 0131 GMT, adding to a 35 cent gain from Tuesday. Brent crude LCOc1 futures climbed 68 cents, or 0.9%, to \$75.04 a barrel, after gaining 44 cents on Tuesday. U.S. crude stocks fell by 6.1 million barrels for the week ended Sept. 17, market sources said, citing figures from the American Petroleum Institute on Tuesday.