Market Commentary
KFH Treasury
Forex Market

JAPANESE YEN

USD/JPY again bouncing after another fall, moves down over? - Reuters
16-Sep-2021 06:00:48 AM
* USD/JPY again down post-Asia to 109.11 EBS, bounce since
  * Pattern resembles what took place in Asia yesterday, to fall again?
  * Likelihood of another fall cannot be ruled out, to weigh on market
  * USD/JPY so far 109.32-41 in Asia, JPY buy-back flows have since abated
  * Some suggest base of sorts in place ahead of 109.00, debatable?
  * US yields bounced yesterday on stronger economic data, Tsy 10s @1.302%
  * Rallies on Wall St have also restored some confidence in recovery
  * If USD/JPY holds above 109.00, 109.11, triple bottom with 109.12 8/16-17

CLOSE
USD/JPY
109.36
1M %chg
-0.19%
3M %chg
-0.65%

EURO

EUR/USD 1.1800 resilient closing support - USD leads - Reuters
16-Sep-2021 06:12:08 AM
* Steady after closing up 0.1% with the USD softer as risk appetite firmed
* Soft U.S. import prices eased Federal Reserve taper fears
* USD moves are leading the EUR/USD at present, which looks set to extend
  * 1.1810 455 MLN, 1.1820-35 600 MLN and 1.1850 575 MLN - today's close strikes
  * 21 day Bollinger bands contract - mixed signals - 1.1800 a base on the close
  * 1.1757, 61.8% Aug-Sep rise and 1.1909 Jul-Sep double top are pivotal levels
  * NY 1.1803-1.1832 range is initial support and resistance

CLOSE
EUR/USD
1.1815
1M %chg
0.20%
3M %chg
-2.55%
Turkey - Factors to Watch
16-Sep-2021 10:07:10 AM
ANKARA, Sept 16 (Reuters) - The lira TRY= stood at 8.43 against the U.S. dollar at Wednesday's close.
The main BIST 100 share index .XU100 fell 0.73% to 1,423.97 points on Wednesday.
Turkey's daily coronavirus cases amounted to 28,224 on Wednesday, the highest number since May 4, while the daily death toll was 248, according to health ministry data.

Sterling rise on UK inflation beats tempered ahead of Fed, BoE - Reuters
15-Sep-2021 10:45:24 PM
* GBP/USD ending NorAm +0.16% at 1.3830; Wednesday’s range 1.3852-1.3794
* Sterling rallies into daily cloud after UK inflation beats
* Early weakness reversed after UK infl hits 9-yr high in Aug
* Gains tempered amid transitory infl view; FOMC, BoE in focus Sep 22/23
* Traders unable to hold w/in daily cloud, cloud top/100-DMA cap abv 1.39
* Support at 30-DMA by 1.3794, 21-DMA 1.3771, then 1.3679's Aug 27 low

Turkey - Factors to Watch
16-Sep-2021 10:07:10 AM
ANKARA, Sept 16 (Reuters) - The lira TRY= stood at 8.43 against the U.S. dollar at Wednesday’s close.
The main BIST 100 share index .XU100 fell 0.73% to 1,423.97 points on Wednesday.
Turkey's daily coronavirus cases amounted to 28,224 on Wednesday, the highest number since May 4, while the daily death toll was 248, according to health ministry data.
Gold, US Treasury & Dollar Index

**Precious-Gold steady as investors eye Fed policy meet**

16-Sep-2021 07:03:00 AM

Sept 16 (Reuters) - Gold prices were steady on Thursday as investors awaited signals on the Federal Reserve’s timeline for tapering pandemic-era stimulus measures, after softer-than-expected U.S. inflation data fueled some uncertainty. Spot gold XAU= was little changed at $1,792.86 per ounce by 0116 GMT. Prices fell 0.6% on Wednesday, its biggest one-day decline in a week as U.S. Treasury yields ticked higher. U.S. gold futures GCv1 were flat at $1,795.00. The Federal Open Market Committee’s two-day policy meeting is due next week and is expected to provide guidance on when the U.S. central bank will start withdrawing its asset purchases. The Fed’s tapering could tackle both those conditions, diminishing gold’s appeal. Silver XAG= was steady at $23.83 per ounce. Platinum XPT= rose 0.5% to $951.81, having hit an over nine-month low on Wednesday. Palladium XPD= climbed 1.1% to $2,025.52.

**US 10YT YIELD**

<table>
<thead>
<tr>
<th>Time</th>
<th>1M %chg</th>
<th>3M %chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>1.60%</td>
<td>-12.43%</td>
</tr>
</tbody>
</table>

**Precious-Gold steady as investors eye Fed policy meet**

The Federal Open Market Committee's two-day policy meeting is due next week and is expected to provide guidance on when the U.S. central bank will start withdrawing its asset purchases. The Fed’s tapering could tackle both those conditions, diminishing gold’s appeal. Silver XAG= was steady at $23.83 per ounce. Platinum XPT= rose 0.5% to $951.81, having hit an over nine-month low on Wednesday. Palladium XPD= climbed 1.1% to $2,025.52.

**Upcoming Key Economic Indicator Releases**

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>Ctry / Regn</th>
<th>Time</th>
<th>For</th>
<th>Prior</th>
<th>Consensus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net L-T Flows,Exswaps</td>
<td>US</td>
<td>16-Sep 01:30</td>
<td>Jul</td>
<td>110.9</td>
<td></td>
</tr>
<tr>
<td>Initial Jobless Clm*</td>
<td>US</td>
<td>16-Sep 18:00</td>
<td>w/e</td>
<td>310</td>
<td>330</td>
</tr>
<tr>
<td>Jobless Clm 4Wk Avg*</td>
<td>US</td>
<td>16-Sep 18:00</td>
<td>w/e</td>
<td>339.50</td>
<td></td>
</tr>
<tr>
<td>Cont Jobless Clm*</td>
<td>US</td>
<td>16-Sep 18:00</td>
<td>w/e</td>
<td>2.783</td>
<td>2.785</td>
</tr>
<tr>
<td>Philly Fed Capex Index*</td>
<td>US</td>
<td>16-Sep 18:00</td>
<td>Sep</td>
<td>33.70</td>
<td></td>
</tr>
<tr>
<td>Philly Fed Business Indx*</td>
<td>US</td>
<td>16-Sep 18:00</td>
<td>Sep</td>
<td>19.4</td>
<td>18.8</td>
</tr>
<tr>
<td>Retail Control *</td>
<td>US</td>
<td>16-Sep 18:00</td>
<td>Aug</td>
<td>-</td>
<td>-1</td>
</tr>
<tr>
<td>Retail Sales MM *</td>
<td>US</td>
<td>16-Sep 18:00</td>
<td>Aug</td>
<td>-1.1</td>
<td>-0.8</td>
</tr>
<tr>
<td>Retail Sales Ex-Autos MM *</td>
<td>US</td>
<td>16-Sep 18:00</td>
<td>Aug</td>
<td>-0.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>Retail Ex Gas/Autos *</td>
<td>US</td>
<td>16-Sep 18:00</td>
<td>Aug</td>
<td>-0.7</td>
<td></td>
</tr>
<tr>
<td>Business Inventories MM *</td>
<td>US</td>
<td>16-Sep 19:30</td>
<td>Jul</td>
<td>0.8</td>
<td>0.5</td>
</tr>
</tbody>
</table>
## Daily Market Report

### KWD - CBK FIX
![KWD CBK FIX Chart]

### MARKET SUMMARY

<table>
<thead>
<tr>
<th>INSTRUMENT</th>
<th>OPEN</th>
<th>HIGH</th>
<th>LOW</th>
<th>CLOSE</th>
<th>%CHG 1D</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>1.1804</td>
<td>1.1832</td>
<td>1.1797</td>
<td>1.1815</td>
<td>0.11%</td>
</tr>
<tr>
<td>GBP</td>
<td>1.3809</td>
<td>1.3853</td>
<td>1.3791</td>
<td>1.3837</td>
<td>0.22%</td>
</tr>
<tr>
<td>JPY</td>
<td>109.66</td>
<td>109.73</td>
<td>109.09</td>
<td>109.36</td>
<td>-0.28%</td>
</tr>
<tr>
<td>TRY</td>
<td>0.1183</td>
<td>0.1182</td>
<td>0.1179</td>
<td>0.1184</td>
<td>0.17%</td>
</tr>
<tr>
<td>Dollar Idx</td>
<td>92.676</td>
<td>92.685</td>
<td>92.422</td>
<td>92.548</td>
<td>-0.08%</td>
</tr>
<tr>
<td>Brent</td>
<td>73.92</td>
<td>76.13</td>
<td>73.78</td>
<td>75.46</td>
<td>2.53%</td>
</tr>
<tr>
<td>WTC</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>72.59</td>
<td>2.92%</td>
</tr>
<tr>
<td>Gold</td>
<td>1804.2255</td>
<td>1806.5</td>
<td>1789.69</td>
<td>1792.59</td>
<td>-0.65%</td>
</tr>
<tr>
<td>KWSE Index</td>
<td>6845.46</td>
<td>6851.89</td>
<td>6817.4</td>
<td>6838.69</td>
<td>-0.03%</td>
</tr>
</tbody>
</table>

### LIBOR RATES

![LIBOR Rates Chart]

### OTHER C-BANK RATES

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>As of</th>
<th>Value</th>
<th>Prior</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FED Target Rate</td>
<td>15-Mar-20</td>
<td>0.25</td>
<td>0.25</td>
<td>0.00</td>
</tr>
<tr>
<td>ECB Refinancing Rate</td>
<td>10-Mar-21</td>
<td>0.00</td>
<td>0.05</td>
<td>-0.05</td>
</tr>
<tr>
<td>BOE Bank Rate</td>
<td>19-Mar-21</td>
<td>0.10</td>
<td>0.25</td>
<td>-0.15</td>
</tr>
<tr>
<td>BOJ Prime Rate</td>
<td>12-Aug-21</td>
<td>1.00</td>
<td>1.05</td>
<td>-0.05</td>
</tr>
<tr>
<td>TRY ON Lending Rate</td>
<td>18-Mar-21</td>
<td>20.50</td>
<td>18.50</td>
<td>2.00</td>
</tr>
</tbody>
</table>

### POLICY RATES INDICATOR

<table>
<thead>
<tr>
<th>POLICY RATES INDICATOR</th>
<th>As of</th>
<th>Value</th>
<th>Prior</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>ON Repo Rate</td>
<td>28-Oct-20</td>
<td>0.88</td>
<td>1.00</td>
<td>-0.13</td>
</tr>
<tr>
<td>1W Repo Rate</td>
<td>28-Oct-20</td>
<td>1.13</td>
<td>1.25</td>
<td>-0.13</td>
</tr>
<tr>
<td>1M Repo Rate</td>
<td>28-Oct-20</td>
<td>1.63</td>
<td>1.75</td>
<td>-0.13</td>
</tr>
<tr>
<td>KWD ON Rate</td>
<td>28-Oct-20</td>
<td>10.00</td>
<td>10.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>28-Oct-20</td>
<td>1.50</td>
<td>1.50</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Global Top News

**KEY INTERNATIONAL STORIES**

**Biden met moderate U.S. Senate Democrats to discuss $3.5 trln spending bill**

WASHINGTON, Sept 15 (Reuters) - President Joe Biden was meeting separately with moderate Democratic U.S. Senators Joe Manchin and Kyrsten Sinema on Wednesday to discuss Democratic-backed domestic spending legislation, the White House said. Democrats hold a slim majority in the Senate, making Manchin and Sinema critical to the $3.5 trillion bill's prospects. White House press secretary Jen Psaki told reporters that the purpose of the meetings was to discuss a "path forward" on Biden's proposed legislation. Under Senate rules, most other legislation needs to win at least 60 votes in the 100-member chamber to advance.

**UK inflation posts record jump to hit 9-year peak in August**

LONDON, Sept 15 (Reuters) - Britain's inflation rate hit its highest in almost a decade last month after a record jump that was largely fuelled by a rebound in restaurant prices which were artificially pushed down a year ago by government subsidies. Consumer prices in August rose by 3.2% year-on-year, the highest annual inflation rate since March 2012 and up from 2.0% in July, the Office for National Statistics said. Statisticians said the one-off effect of the government's "Eat Out to Help Out" scheme, which briefly offered diners a discount on meals to help a sector hit by the pandemic, would vanish from next month's data.

**ECB sees a new inflation 'hump' as prices surge**

FRANKFURT, Sept 15 (Reuters) - A spike in euro zone inflation to above the European Central Bank's target is a temporary "hump", the ECB says - dusting off a metaphor used a decade ago by its then-president Jean-Claude Trichet. In 2011, the ECB hiked interest rates twice in four months, with Trichet yielding to German pressure despite believing that a commodity-fuelled rise in prices would prove short-lived. Having learned the hard way, current ECB policymakers say they will not tighten monetary policy until inflation is stably at the bank's 2% target, which they don't expect to happen for more than two years.

**Japan’s hot exports growth cools as COVID-19 hits supply chains**

TOKYO, Sept 16 (Reuters) - Japan’s exports extended double-digit gains in August, led by strong shipments of chip manufacturing equipment, although the pace of growth weakened as COVID-19 hit key Asian supply chains and slowed factory production. The trade growth is unlikely to dispel worries about the outlook for Japan’s economy, which has not yet recovered to pre-pandemic levels after taking an enormous hit from a collapse in global trade in the first quarter of 2020. However, the growth was slower than the 34.0% expected by economists in a Reuters poll and the 37.0% advance in the previous month.

**Brazil’s banks to incorporate climate change risks into stress tests**

SAO PAULO, Sept 15 (Reuters) - Brazil’s central bank announced on Wednesday new rules making it mandatory for banks to incorporate climate change-related risks, such as droughts, floods and forest fires in their stress tests, starting in July 2022. Central bank director Otavio Damaso said the new regulation aims to avoid potential financial instability stemming from climate-related risks. Brazil’s central bank is not prohibiting lenders from extending any loans, but the climate-change related risk analysis could make credit lines more expensive for certain companies and sectors if banks find it necessary to allocate more capital to assume the risks they have identified.

**Oil prices extend gains after draw in U.S. stocks**

SINGAPORE, Sept 16 (Reuters) - Oil prices climbed on Thursday, extending the previous day’s solid gains after a larger-than-expected drawdown in crude oil stocks in the United States, the world’s largest oil consumer. Brent crude oil LCOC1 rose 18 cents, or 0.2%, to $75.64 a barrel by 0340 GMT, after settling up 2.5% the previous day. U.S. West Texas Intermediate (WTI) crude Clc1 were up 18 cents, or 0.3%, to $72.79, after settling 3.1% higher on Wednesday. Crude inventories fell by 6.4 million barrels in the week to Sept. 10 to 417.4 million barrels, the EIA said, compared with expectations in a Reuters poll for a 3.5 million-barrel drop.

**Oil prices extend gains after draw in U.S. stocks**

SINGAPORE, Sept 16 (Reuters) - Oil prices climbed on Thursday, extending the previous day’s solid gains after a larger-than-expected drawdown in crude oil stocks in the United States, the world’s largest oil consumer. Brent crude oil LCOC1 rose 18 cents, or 0.2%, to $75.64 a barrel by 0340 GMT, after settling up 2.5% the previous day. U.S. West Texas Intermediate (WTI) crude Clc1 were up 18 cents, or 0.3%, to $72.79, after settling 3.1% higher on Wednesday. Crude inventories fell by 6.4 million barrels in the week to Sept. 10 to 417.4 million barrels, the EIA said, compared with expectations in a Reuters poll for a 3.5 million-barrel drop.

**Brazil’s banks to incorporate climate change risks into stress tests**

SAO PAULO, Sept 15 (Reuters) - Brazil’s central bank announced on Wednesday new rules making it mandatory for banks to incorporate climate change-related risks, such as droughts, floods and forest fires in their stress tests, starting in July 2022. Central bank director Otavio Damaso said the new regulation aims to avoid potential financial instability stemming from climate-related risks. Brazil’s central bank is not prohibiting lenders from extending any loans, but the climate-change related risk analysis could make credit lines more expensive for certain companies and sectors if banks find it necessary to allocate more capital to assume the risks they have identified.

**Oil prices extend gains after draw in U.S. stocks**

SINGAPORE, Sept 16 (Reuters) - Oil prices climbed on Thursday, extending the previous day’s solid gains after a larger-than-expected drawdown in crude oil stocks in the United States, the world’s largest oil consumer. Brent crude oil LCOC1 rose 18 cents, or 0.2%, to $75.64 a barrel by 0340 GMT, after settling up 2.5% the previous day. U.S. West Texas Intermediate (WTI) crude Clc1 were up 18 cents, or 0.3%, to $72.79, after settling 3.1% higher on Wednesday. Crude inventories fell by 6.4 million barrels in the week to Sept. 10 to 417.4 million barrels, the EIA said, compared with expectations in a Reuters poll for a 3.5 million-barrel drop.

**Brazil’s banks to incorporate climate change risks into stress tests**

SAO PAULO, Sept 15 (Reuters) - Brazil’s central bank announced on Wednesday new rules making it mandatory for banks to incorporate climate change-related risks, such as droughts, floods and forest fires in their stress tests, starting in July 2022. Central bank director Otavio Damaso said the new regulation aims to avoid potential financial instability stemming from climate-related risks. Brazil’s central bank is not prohibiting lenders from extending any loans, but the climate-change related risk analysis could make credit lines more expensive for certain companies and sectors if banks find it necessary to allocate more capital to assume the risks they have identified.

**Oil prices extend gains after draw in U.S. stocks**

SINGAPORE, Sept 16 (Reuters) - Oil prices climbed on Thursday, extending the previous day’s solid gains after a larger-than-expected drawdown in crude oil stocks in the United States, the world’s largest oil consumer. Brent crude oil LCOC1 rose 18 cents, or 0.2%, to $75.64 a barrel by 0340 GMT, after settling up 2.5% the previous day. U.S. West Texas Intermediate (WTI) crude Clc1 were up 18 cents, or 0.3%, to $72.79, after settling 3.1% higher on Wednesday. Crude inventories fell by 6.4 million barrels in the week to Sept. 10 to 417.4 million barrels, the EIA said, compared with expectations in a Reuters poll for a 3.5 million-barrel drop.