



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

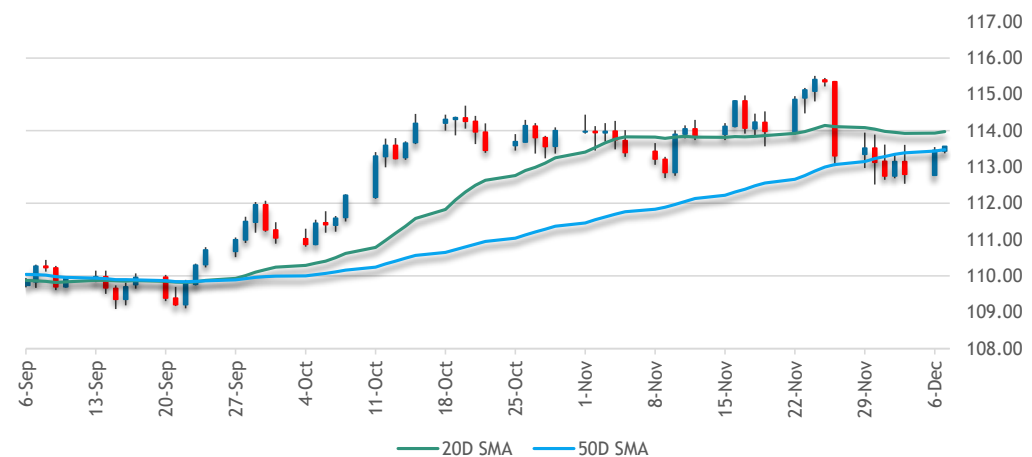
KFH Treasury



Report produced on
Tue, 07-Dec-2021

Forex Market

JAPANESE YEN



CLOSE **113.46** 1M %chg **0.05%** 3M %chg **3.31%**

USD/JPY, JPY crosses bid with risk on, on higher yields - Reuters

07-Dec-2021 07:41:20 AM

- * USD/JPY better bid with risk on and US yields higher
- * Asia 113.40-59 EBS, above 111.90-113.30 daily Ichi cloud, 113.24 55-DMA
- * Spot in area of descending 200-HMA at 113.55, heavy above
- * Option expiries today to help cap, 113.75-95 \$458 mln, 114.00 \$863 mln
- * Yield on US Treasury 5s @1.206%, 7s @1.383%, 10s @1.440%
- * Nikkei +1.5% @28,340, E-Minis +0.2% @4597, AXJ mostly in black
- * EUR/JPY 127.95-128.18 EBS, GBP/JPY 150.33-76, AUD/JPY 79.81-80.15 pre-RBA

EURO



CLOSE **1.1285** 1M %chg **-2.43%** 3M %chg **-4.91%**

EUR/USD, EUR/JPY so-so buoyant in Asia, action limited - Reuters

07-Dec-2021 07:22:29 AM

- * EUR/USD tad buoyant in Asia, 1.1276-93 EBS, awaiting catalysts
- * ECB Holzmänn talk yesterday supportive, inflation maybe not transitory
- * EUR/USD holding in vicinity of 1.1291 ascending 200-HMA
- * Descending 55-HMA just above at 1.1294
- * Some option expiries in area - 1.1275 E354 mln, 1.1325-30 E519 mln
- * Above, total E1.6 bln or so between 1.1350-70, E1.1 bln alone at 1.1360
- * EUR/JPY bid with USD/JPY, risk mood better, 127.95 early to 128.18 EBS
- * Cross between 100-HMA at 127.96 and 200-HMA at 128.25

Forex Market

POUND STERLING



CLOSE
1.3264

1M %chg
-1.70%

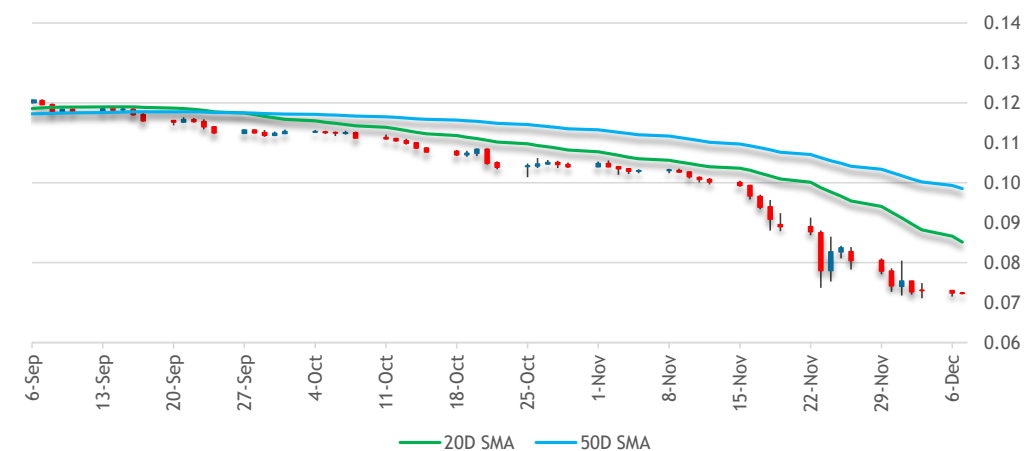
3M %chg
-4.12%

Sterling-Broadbent, risk rebound help, but nearing moment of Fed-BoE truth - Reuters

07-Dec-2021 00:16:19 AM

- * GBP/USD got a boost from BoE Deputy Gov Broadbent's comments
- * He said inflation might "comfortably exceed" 5% in April
- * But that after Saunders said he might pause on rate hike vote
- * Risk-sensitive pound found support from waning Omicron angst, risk-on flows
- * But sterling consistently sold on approaches to the tumbling 10-DMA
- * Prices nearing 38.2% & 50% pandemic rebound Fibos at 1.3166/63
- * Oversold, but if Fed doubles taper & BoE doesn't hike rate, breakdown eyed

TURKISH LIRA



CLOSE
0.0724

1M %chg
-29.71%

3M %chg
-40.02%

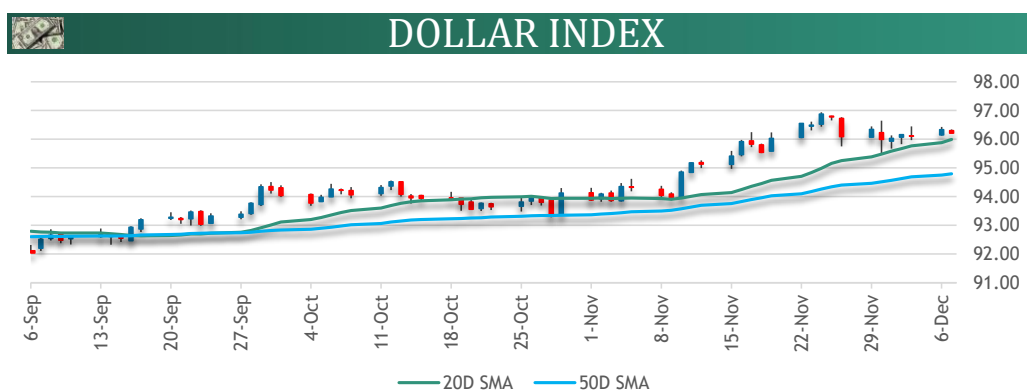
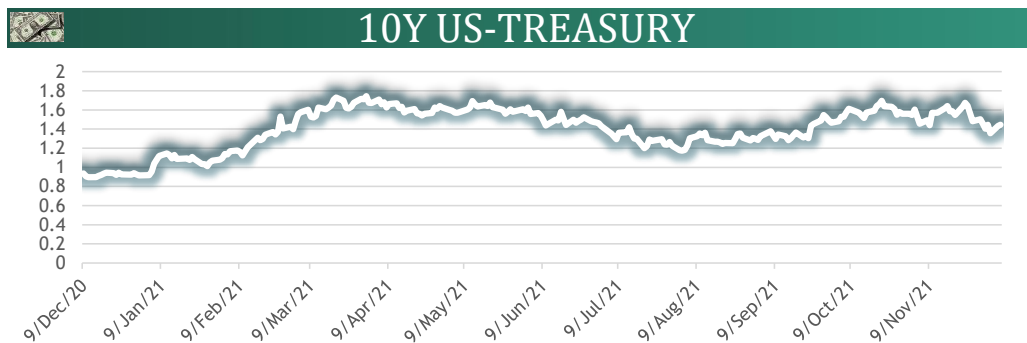
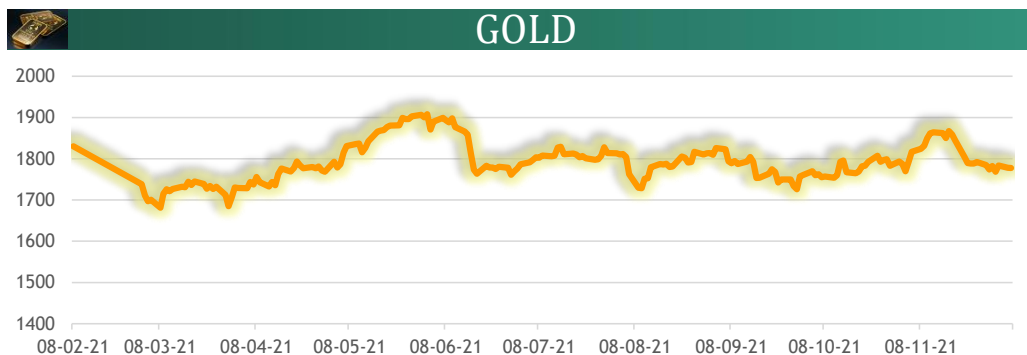
Turkey - Factors to Watch

07-Dec-2021 08:20:32 AM

ISTANBUL, Dec 7 (Reuters) - The lira TRY/TOM=D3, TRY= stood at 13.8325 versus the dollar at 0420 GMT, weaker than a close of 13.8090 on Monday. It has lost some 46% of its value against the greenback this year. The main BIST 100 share index .XU100 rose 0.89% to 1,927.39 points on Monday.

Turkey logged 20,033 new COVID-19 cases on Monday, health ministry data showed. Turkey recorded 187 deaths from the virus in the same period.

Gold, US Treasury & Dollar Index



US 10YT YIELD

1.44

1M %chg

-1.53%

3M %chg

8.06%

PRECIOUS-Gold flat on firmer dollar, U.S. bond yields

07-Dec-2021 06:00:00 AM

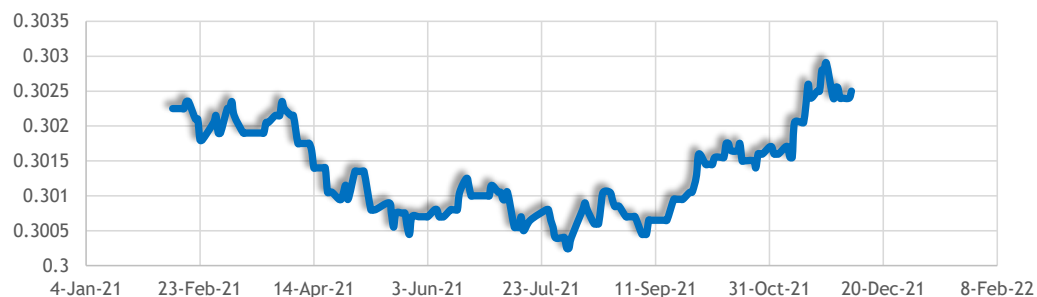
Dec 7 (Reuters) - Gold prices were flat on Tuesday, as a firmer dollar and U.S. Treasury yields weighed on its appeal and confined the metal to a tight \$4 range. Spot gold XAU= was little changed at \$1,778.79 per ounce by 0130 GMT. U.S. gold futures GCv1 were flat at \$1,780.00. The dollar index .DXY steadied, hanging on to an overnight jump made with U.S. yields as investors hoped early signs the Omicron variant may be mild will be proved correct. A stronger dollar raises gold's costs to buyers holding other currencies, while higher yields increase bullion's opportunity cost. Bank of England Deputy Governor Ben Broadbent said on Monday that inflation in Britain might "comfortably exceed" 5% in April and that the country's tight labour market risked becoming a more persistent source of inflation. Spot silver XAG= fell 0.2% to \$22.31 an ounce. Platinum XPT= was steady at \$938.00 and palladium XPD= dropped 0.3% to \$1,849.19.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Consumer Credit*	US	07-Dec 01:30	Oct	29.91	25.00
Current Account NSA JPY	JP	07-Dec 05:20	Oct	1033.7	1308.5
GDP Cap Ex Rev QQ	JP	07-Dec 05:20	Q3	-3.8	-3.9
GDP Rev QQ Annualised	JP	07-Dec 05:20	Q3	-3	-3.1
GDP Revised QQ	JP	07-Dec 05:20	Q3	-0.8	-0.8
BRC Retail Sales YY	GB	07-Dec 05:31	Nov	-0.2	
Halifax House Prices MM*	GB	07-Dec 12:30	Nov	0.9	
Halifax House Prices YY*	GB	07-Dec 12:30	Nov	8.10	
Employment Final QQ	EU	07-Dec 15:30	Q3	0.9	0.9
Employment Final YY	EU	07-Dec 15:30	Q3	2.0	2.0
GDP Revised QQ	EU	07-Dec 15:30	Q3	2.2	2.2

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1319	1.1319	1.1265	1.1285	-0.25%
GBP	1.324	1.3286	1.3215	1.3264	0.25%
JPY	112.77	113.55	112.76	113.46	0.59%
TRY	0.073	0.0731	0.0715	0.0724	-0.82%
Dollar Idx	96.151	96.427	96.125	96.328	0.22%
Brent	70.24	73.8	70.24	73.08	4.58%
WTC	-	-	-	69.62	0.14%
Gold	1784.53	1787.46	1775.35	1778.1078	-0.32%
KWSE Index	6984.16	7004.35	6982.54	6984.18	0.15%

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

0.30250

3M% CHG

0.68%

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	0.19
SW	0.07	6M	0.27
1M	0.10	1Y	0.46
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-Nov-'21	16.50	17.50	-1.00

KEY INTERNATIONAL STORIES

Rise in U.S. house prices to halve next year, affordability to worsen

BENGALURU, Dec 7 (Reuters) - The rise in U.S. house prices will slow to half its double-digit rate next year but still outstrip increases in consumer prices and wages, according to a Reuters poll of property analysts, who said affordability would worsen over the next two to three years. The S&P Case-Shiller index of 20 metropolitan areas has risen at a double-digit rate over the past 10 months, a pace the Nov. 17-Dec.6 poll of over 25 property analysts said would continue for the rest of the year to average at 16.8%. That was expected to drop to 8.0% in 2022, according to the poll. Forecasts were in a 3-15% range.

BoE's Broadbent sees inflation above 5%, price pressure from jobs market

LONDON, Dec 6 (Reuters) - Bank of England Deputy Governor Ben Broadbent said on Monday that inflation in Britain might "comfortably exceed" 5% in April and that the country's tight labour market risked becoming a more persistent source of inflation. The BoE, which is trying to steer the economy through its recovery from a pandemic slump, said last month that inflation would hit about 5% in the second quarter of 2022 before falling. Speaking to Leeds University Business School, Broadbent suggested that forecast would probably have to be raised further above the central bank's 2% target.

Euro zone upbeat on growth despite Omicron, to continue fiscal support

BRUSSELS, Dec 6 (Reuters) - Euro zone finance ministers remained upbeat on Monday about economic growth prospects despite the Omicron coronavirus variant, and they agreed to continue moderately supportive fiscal policy next year. "The euro area economy is recovering from the recession faster than expected," the ministers, called the Eurogroup, said in a statement, citing the latest European Commission forecasts for GDP growth of 5% in 2021 and 4.3% in 2022. "Moreover, the level of uncertainty is particularly high, risks are substantial and new headwinds to the economic outlook have emerged," they said.

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Japan's Oct household spending extends declines on COVID-19 drag

TOKYO, Dec 7 (Reuters) - Japan's household spending posted an annual drop for the third straight month in October, though the pace of decline slowed, as consumer sentiment struggled to stage a convincing recovery after coronavirus curbs ended. The world's third-largest economy has lagged other nations in its recovery from the health crisis, mostly due to sluggish consumption. Analysts expect consumer sentiment to pick up this quarter as local COVID-19 infections fell. Household spending fell 0.6% in October from a year earlier, after a 1.9% decline in September and a 3.0% drop in August, government data showed, matching the median market forecast in a Reuters poll.

Philippine November inflation slows, but above forecast

MANILA, Dec 7 (Reuters) - Philippine inflation in November eased to the lowest level in four months, supporting expectations that the central bank will keep its benchmark interest rates steady at its last meeting this year to support an economic recovery. The Bangko Sentral ng Pilipinas (BSP), which has kept the rate on the overnight reverse repurchase facility PHCBIR=ECI at 2.0% since November last year, will review its policy settings on Dec. 16. The Consumer Price Index rose 4.2% last month from a year earlier PHCPI=ECI, down from a 4.6% rise in October, due to a slowdown in price increases for the heavily weighted food and non-alcoholic beverages index.

Oil extends gains on easing Omicron fears, Iran delay

SINGAPORE, Dec 7 (Reuters) - Oil prices edged up on Tuesday after a near 5% rebound the day before as concerns about the impact of the Omicron variant on global fuel demand eased while Iran nuclear talks hit roadblocks, delaying the return of Iranian crude supplies. Brent crude futures LCOc1 rose 34 cents, or 0.5%, to \$73.42 a barrel at 0124 GMT, after settling 4.6% higher on Monday. U.S. West Texas Intermediate crude CLc1 was at \$69.92 a barrel, up 43 cents, or 0.6%, building on a 4.9% gain in the previous session. Oil prices were pummelled last week over concerns that vaccines might be less effective against the new coronavirus variant Omicron.