



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

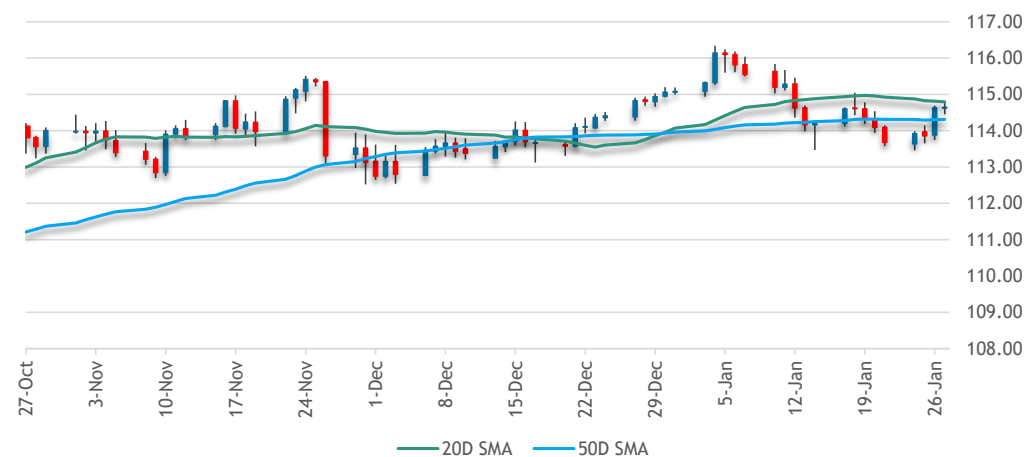
KFH Treasury



Report produced on
Thu, 27-Jan-2022

Forex Market

JAPANESE YEN



CLOSE **114.63** 1M %chg **0.19%** 3M %chg **0.43%**

USD/JPY, JPY crosses fall back as Asia risk mood sours - Reuters

27-Jan-2022 07:47:40 AM

- * Asia risk mood very sour following hawkish FOMC, Powell, stocks off large
- * USD/JPY up early to 114.78 EBS before falling back, low 114.48
- * Japanese importers on bid, Tokyo fix demand, some investors too on dips
- * Japanese exporters in wait from ahead of 115.00, spec longs too
- * Higher US yields supportive, Treasury 10s @1.856%, early high 1.880%
- * Option expiries in area today - 114.00 \$639 mln, 114.80 \$911 mln
- * EUR/JPY 128.55-97 EBS, GBP/JPY 153.84-154.54, AUD/JPY 80.94-81.69
- * EUR/JPY option expiries today - 127.00 E1.1 bln, 128.00 E300 mln, 128.50 325

EURO



CLOSE **1.1237** 1M %chg **-0.71%** 3M %chg **-3.09%**

EUR/USD-Edges lower as test of support levels looms - Reuters News

27-Jan-2022 07:18:53 AM

- * EUR/USD opened -0.53% at 1.1242 after sliding late on hawkish Powell comments
- * USD remained bid through Asia morning and EUR/USD slipped to 1.1225
- * Heading into the afternoon it is trading at the session low
- * Diverging central bank expectations weighing heavily on EUR/USD outlook
- * Support is at the Dec 15 low at 1.2121 and break targets trend low at 1.1186
- * Resistance is at 10-day MA at 1.1324 and break would ease downward pressure

Forex Market

POUND STERLING



CLOSE

1.3461

1M %chg

0.57%

3M %chg

-2.22%

Sterling whipsaws after Fed rate hold, Fed could hike soon - Reuters

27-Jan-2022 00:44:15 AM

* GBP/USD near flat post-Fed hold, +0.05% at 1.3510; Wed range 1.3525-1.3492

* Pair rose to flash high 1.3525 as measured Fed stmt less hawkish

* BoE seen hiking Feb 3 BOEWATCH, less-hawkish Fed a boon for GBP bulls

* Res at 1.3525 just ahead of 100-DMA (1.3533), trades 1.3525-01 post-Fed

* Abv 100-DMA bulls target 10-DMA at 1.3588, Jan 20 high 1.3662

* Support by daily cloud top (1.3498), then Tues low 1.3436, 55-DMA 1.3422

* High rate GBP gaining versus low-for-longer JPY and EUR

TURKISH LIRA



CLOSE

0.0735

1M %chg

-21.73%

3M %chg

-29.80%

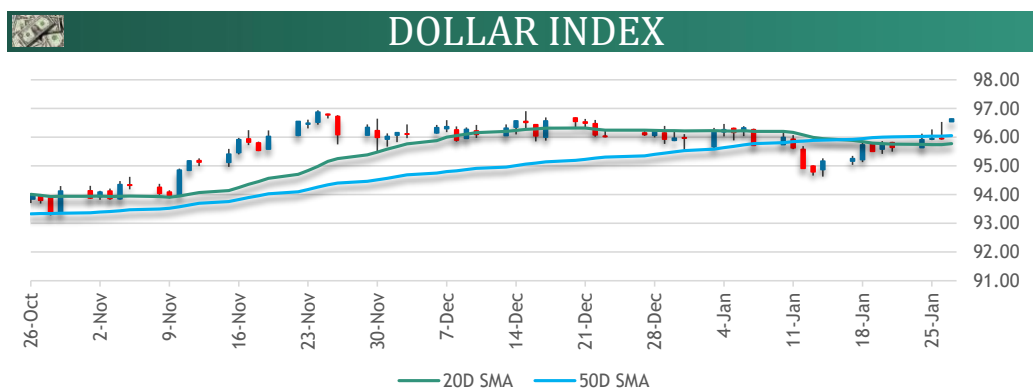
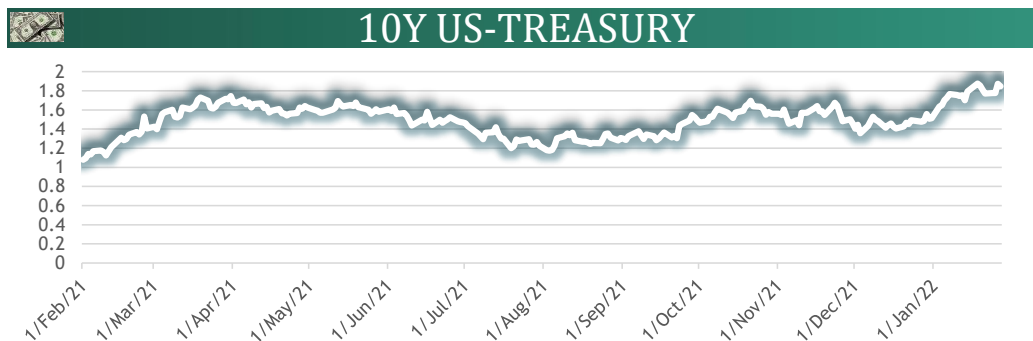
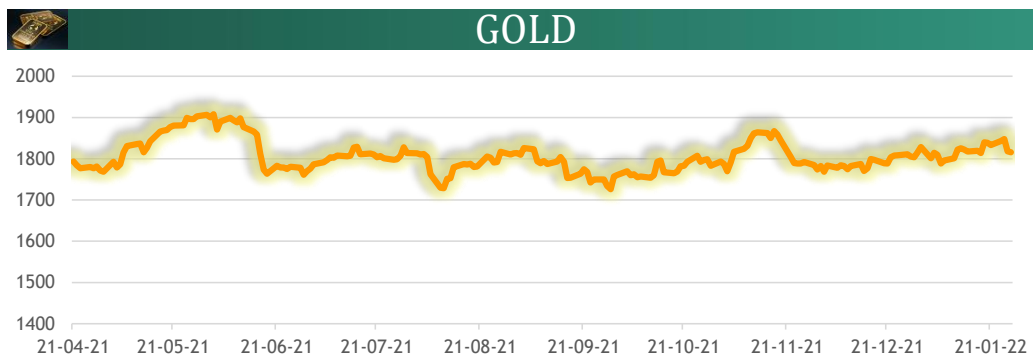
Turkey - Factors to Watch

27-Jan-2022 08:27:09 AM

ISTANBUL, Jan 27 (Reuters) - The lira TRY= was traded at 13.59 against the dollar early on Thursday, slightly weakening from a close of 13.5561 on Wednesday. The main BIST 100 share index .XU100 rose 0.31% to 1,951.17 points on Wednesday.

Turkey recorded 77,434 new COVID-19 cases in the space of 24 hours, health ministry data showed on Wednesday. The data also showed 188 deaths due to coronavirus during the same period.

Gold, US Treasury & Dollar Index



US 10YT YIELD

1.85

1M %chg

25.47%

3M %chg

16.34%

PRECIOUS-Gold steady as higher yields, dollar counter Ukraine uncertainty

27-Jan-2022 08:06:00 AM

Jan 27 (Reuters) - Gold held steady on Thursday following a sharp drop in the last session, as safe-haven demand driven by concerns over Ukraine countered gains in the U.S. dollar and Treasury yields as the Federal Reserve signalled interest rate hikes starting in March. Spot gold XAU= was unchanged at \$1,816.41 per ounce by 0324 GMT, after closing 1.6% lower on Wednesday in its worst session since Nov. 22. U.S. gold futures GCv1 fell 0.7% to \$1,816.20. U.S. Treasury two-year yields climbed to a 23-month high at the start of Asian trading on Thursday, while 10-year yields hovered near one-week highs touched in the previous session. The dollar index =USD, as measured against six major trading currencies, rose to a level last seen on Nov. 22. Holdings of SPDR Gold Trust GLD rose to a five-month high on Wednesday. Spot silver XAG= fell 0.8% to \$23.30 an ounce. Platinum XPT= slipped 1% to \$1,021.00 and palladium XPD= shed 0.7% to \$2,312.98.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
CPI Tokyo Ex fresh food YY	JP	27-Jan 05:00	Jan	0.5	0.3
CBI Distributive Trades	GB	27-Jan 16:30	Jan	8	13
Core PCE Prices Advance*	US	27-Jan 19:00	Q4	4.6	4.9
GDP Deflator Advance*	US	27-Jan 19:00	Q4	5.9	6.0
Durable Goods *	US	27-Jan 19:00	Dec	2.6	-0.5
Durables Ex-Transport *	US	27-Jan 19:00	Dec	0.9	0.4
GDP Advance*	US	27-Jan 19:00	Q4	2.3	5.5
Initial Jobless Clm*	US	27-Jan 19:00	w/e	286	260
Cont Jobless Clm*	US	27-Jan 19:00	w/e	1.635	1.650
Nondefe Cap Ex-Air *	US	27-Jan 19:00	Dec	0.0	0.4
Pending Sales Change MM	US	27-Jan 20:30	Dec	-2.2	-0.2

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1299	1.131	1.1234	1.1237	-0.55%
GBP	1.3491	1.3524	1.3442	1.3461	-0.26%
JPY	113.88	114.69	113.75	114.63	0.68%
TRY	0.0741	0.0743	0.0726	0.0735	-0.81%
Dollar Idx	95.962	96.536	95.911	95.948	0.00%
Brent	87.95	90.47	87.79	89.96	2.00%
WTC	-	-	-	88.33	1.99%
Gold	1847.61	1849.7841	1814.51	1818.1171	-1.59%
KWSE Index	7322.27	7329.84	7312.02	7312.59	-0.06%

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

0.30230

3M% CHG

0.23%

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	0.27
SW	0.00	6M	0.45
1M	0.11	1Y	0.79
2M	0.00		

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	16-Dec-'21	0.25	0.10	0.15
BOJ Prime Rate	12-Aug-'20	1.00	1.05	-0.05
TRY ON Lending Rate	16-Dec-'21	15.50	16.50	-1.00

KEY INTERNATIONAL STORIES

U.S. goods trade deficit hits record high; retail inventories surge

WASHINGTON, Jan 26 (Reuters) - The U.S. trade deficit in goods widened to a record high in December as imports increased for a fifth straight month amid strong domestic demand, suggesting that trade likely remained a drag on economic growth in the fourth quarter. But imports are helping to replenish depleted inventories, with the report from the Commerce Department on Wednesday showing strong restocking at retailers and wholesalers last month. The goods trade deficit rose 3.0% to an all-time high of \$101.0 billion last month. It was also the first time that the deficit breached the \$100 billion threshold.

Germany sees further jump in inflation, stronger wage growth

BERLIN, Jan 26 (Reuters) - The German government expects consumer price inflation to rise further this year, contrary to earlier projections, which will likely lead to higher wage demands by labour unions, the economy ministry said in its annual economic report on Wednesday. The government predicts a national inflation rate (CPI) of 3.3% for 2022 after 3.1% in 2021 as higher energy costs and a scarcity of semiconductors and other intermediate products continue to push up overall prices, the ministry said. The government also cut its economic growth forecast for 2022 to 3.6% from 4.1% seen in October.

Russian inflation accelerates to 8.64% as of Jan. 21

MOSCOW, Jan 26 (Reuters) - Russia's consumer inflation accelerated to 8.64% as of Jan. 21, the economy ministry said on Wednesday, up from 8.62% a week earlier as Russia continues to grapple with rising prices amid a wider market rout due to escalating tensions over Ukraine. The central bank raised its key interest rate seven times in 2021, to 8.50% from 4.25%, and analysts anticipate another hike at the next rate-setting meeting on Feb. 11. While supportive of budget revenues, a weaker rouble contributes to inflation. Some analysts expect the central bank to hike by 100 basis points to 9.5% in February.

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China's Dec industrial profits grow at slowest pace since April 2020

BEIJING, Jan 27 (Reuters) - Profits at China's industrial firms grew at a slower pace in December, the statistics bureau said on Thursday, as factory-gate inflation continued to ease, pointing to cooling demand amid mounting economic challenges. Profits rose 4.2% year-on-year, the slowest rate since April 2020, to 734.2 billion yuan (\$115.89 billion), compared with a 9% gain in November. For 2021, industrial firms' profits rose by a whopping 34.3% year-on-year to 8.7 trillion yuan, the National Bureau of Statistics said. "In 2021, the profits of industrial enterprises achieved relatively fast growth, with corporate efficiency steadily improving," Zhu Hong, a senior NBS statistician, said in a statement.

Philippine GDP beats forecasts in Q4, government sees 2022 acceleration

MANILA, Jan 27 (Reuters) - The Philippine economy expanded faster than expected in the fourth quarter of 2021, buoyed by robust consumer spending, with the government optimistic that growth will accelerate this year despite a resurgence in coronavirus cases and inflation risks. The Southeast Asian country's gross domestic product PHGDP=ECI rose 7.7% in the December quarter from a year earlier, faster than a downwardly revised 6.9% expansion in the previous quarter, and beating a 6.0% forecast in a Reuters poll. That took full-year GDP growth to 5.6%, exceeding the government's 5.0%-5.5% target and marking a sharp rebound from a record 9.6% contraction in 2020.

Oil falls on profit-taking after Brent surges to \$90 a barrel

BEIJING, Jan 27 (Reuters) - Oil prices fell on Thursday as investors cashed in profits from the 2% gains in the previous session after the U.S. Federal Reserve indicated an interest rate hike in March, leading to a technical correction in surging energy markets. Brent crude LCOc1 futures slipped 31 cents, or 0.3%, to \$89.65 a barrel at 0122 GMT, after jumping about 2% to hit \$90 for the first time in seven years on Wednesday. U.S. West Texas Intermediate (WTI) crude CLc1 futures also eased 26 cents, or 0.3%, to \$87.09 a barrel, after gaining 2% in the previous session. Crude inventories rose by 2.4 million barrels in the week to Jan. 21 to 416.2 million barrels.