



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

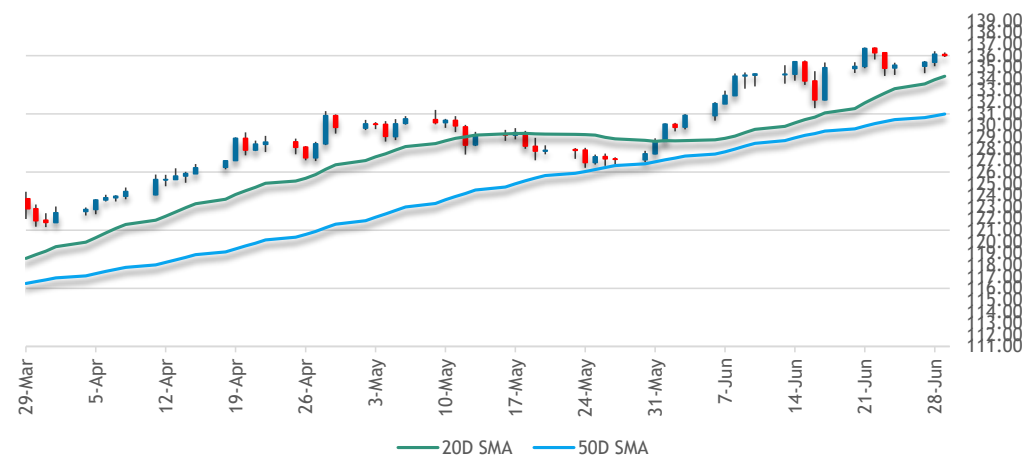
KFH Treasury



Report produced on
Wed, 29/Jun/2022

Forex Market

JAPANESE YEN



CLOSE **136.12** 1M %chg **7.09%** 3M %chg **9.85%**

USD/JPY in holding pattern on 136 after brief dip below - Reuters

29-Jun-2022 08:00:21 AM

- * USD/JPY looks to be in a holding pattern on 136, Asia 135.90-136.22 EBS
- * Brief dip to low on Japanese exporter sales into today's Tokyo fix
- * Exporters took advantage of yesterday's rally to 136.38 to book profits
- * Resistance seen to 136.71 double top June 23/24
- * Talk possible option barriers at 136.75, 137.00 just above, defense eyed
- * US yields also weigh, heavy, well below mid-June highs, Tsy 10s @3.167%
- * Asia risk off after Wall St fall, Nikkei -1.2% @26,728, E-Minis +0.2% @3832
- * JPY crosses mostly buoyant on summer carry interest
- * EUR/JPY 143.07-33 EBS after rally to 144.30 fresh high yesterday

EURO



CLOSE **1.0518** 1M %chg **-1.95%** 3M %chg **-4.19%**

EUR/USD-Edges higher in quiet Asian session - Reuters News

29-Jun-2022 07:46:56 AM

- * EUR/USD opened -0.58% at 1.0521 after ECB comments and risk aversion weighed
- * After trading at 1.0518 it drifted higher when US yields edged lower
- * EUR/USD traded to 1.0535 at one stage before settling around 1.0530
- * Resistance is at the 10-day MA at 1.0538 and close above eases pressure
- * Key resistance is at the 55-day MA at 1.0608 and 61.8 fibo at 1.0623
- * Support at double-bottom at 1.0470 and break targets 1.0359

Forex Market

POUND STERLING



CLOSE
1.2182

1M %chg
-3.44%

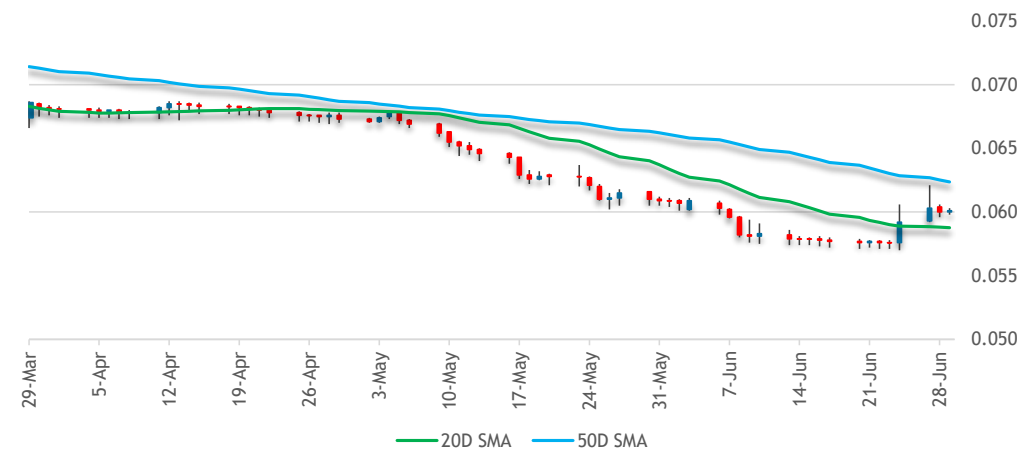
3M %chg
-6.89%

Sterling slips after another failure by 1.23; key Fib support by 1.2170 eyed - Reuters

28-Jun-2022 09:23:11 PM

- * GBP\$ slips into NY close, -0.66% at 1.2184; Tuesday range 1.2291-1.2183
- * US-UK rate divergence, mounting post-Brexit UK-EZ trade uncertainty weighs
- * Sterling bulls beware: Brexit uncertainty is back
- * Support by 1.2170/63 50% of 1.1934-1.2405/ Jun 22 low in focus
- * Close below shifts momentum to GBP bears after several probes of 1.23
- * Bears target 1.2057's lower 30-d Bolli, 2022 low by 1.1934
- * Res at 10-DMA by 1.2252, Jun 27 high 1.2331; Jun 16 high 1.2405 caps

TURKISH LIRA



CLOSE
0.0600

1M %chg
-2.44%

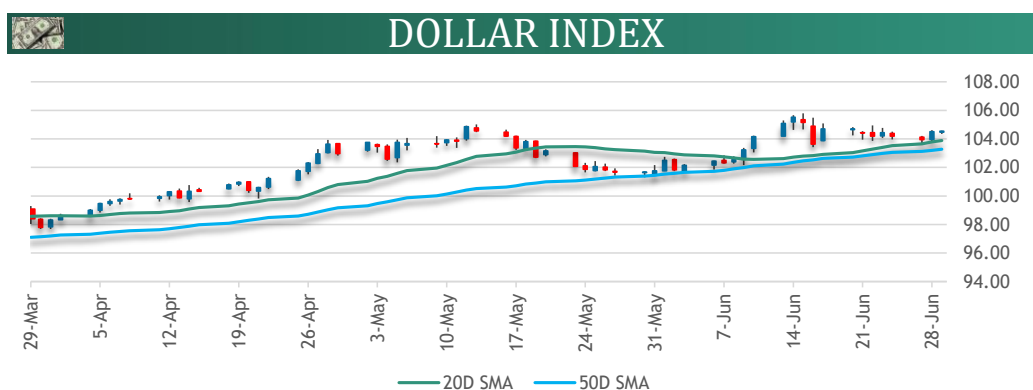
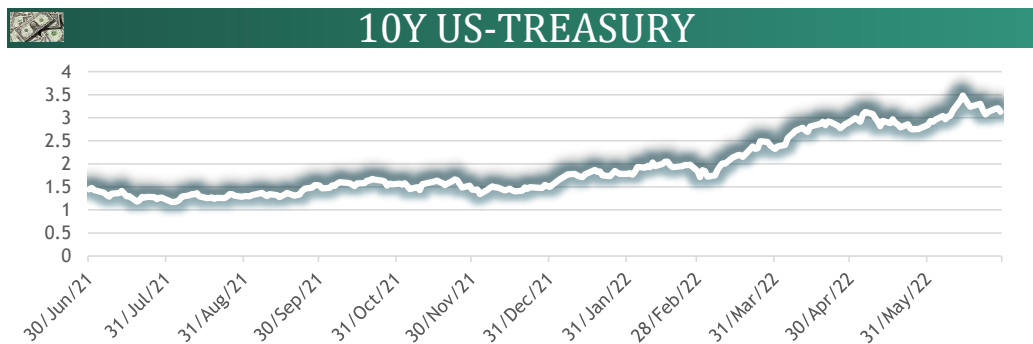
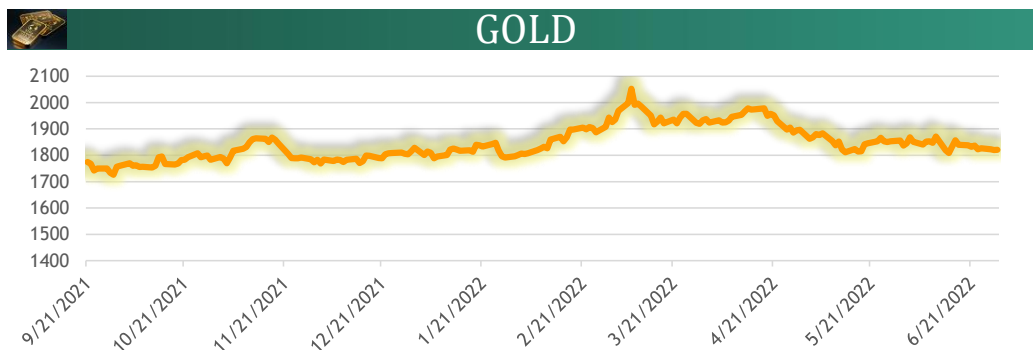
3M %chg
-11.11%

Turkish inflation seen above 78% in June, just below 70% at end-2022 - Reuters News

28-Jun-2022 06:13:45 PM

ISTANBUL, June 28 (Reuters) - Turkey's inflation is expected to rise above 78% in June and it was seen declining to just below 70% by end-2022, a Reuters poll showed on Tuesday, as pricing behaviour deteriorates across the board due to a weak currency and a loose monetary policy. Inflation has surged since last autumn, when the lira slumped after the central bank gradually cut its policy rate by 500 basis-points to 14%, in an easing cycle sought by President Tayyip Erdogan. It has been further stoked this year by the economic fallout from Russia's invasion of Ukraine, as well as the lira's continued decline. The currency shed 44% against the dollar last year, and was down 24% this year before recovering some losses in recent days. Inflation was seen falling only to 69.50% by the end of the year, according to the median estimate of 18 economists, with forecasts between 60.33% and 120%.

Gold, US Treasury & Dollar Index



US 10YT YIELD

3.13

1M %chg

16.66%

3M %chg

29.47%

PRECIOUS-Gold prices buoyed by lower U.S. bond yields

29-Jun-2022 07:16:56 AM

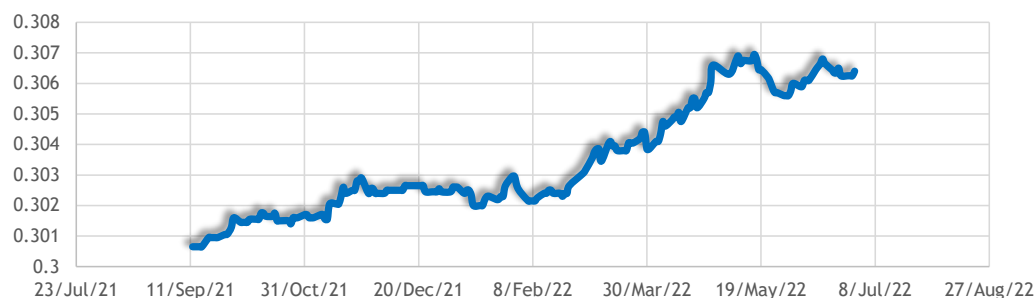
June 29 (Reuters) - Gold prices treaded water on Wednesday, with lower U.S. Treasury yields lending support, as bullion's struggle to break out of its range-bound trade continued. Spot gold XAU= was up 0.1% at \$1,821.57 per ounce by 0254 GMT. U.S. gold futures GCv1 firmed 0.1% at \$1,823.10. Helping the appeal of non-yielding bullion, benchmark U.S. 10-year Treasury yields eased on Wednesday after three straight sessions of gain. U.S. Federal Reserve policymakers promised further rapid interest-rate hikes to bring down high inflation on Tuesday, but pushed back against growing fears among investors and economists that sharply higher borrowing costs will trigger a steep downturn. The move, however, is being seen as symbolic, as gold exports from Russia to the West have already dried up. Spot silver XAG= was flat at \$20.84 per ounce, while platinum XPT= rose 0.5% to \$914.64 and palladium XPD= gained 2% to \$1,910.43.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Foreign Invest JP Bonds*	JP	29/Jun 05:20	w/e	-4804.6	
Foreign Stock Investment*	JP	29/Jun 05:20	w/e	9.7	
Industrial O/P Prelim MM SA*	JP	29/Jun 05:20	May	-1.5	-0.3
IP Forecast 2 Mth Ahead	JP	29/Jun 05:20	Jul	8.9	
Money-M3 Annual Grwth*	EU	29/Jun 13:30	May	6.0	5.8
Industrial Sentiment	EU	29/Jun 14:30	Jun	6.3	4.6
Cons Infl Expec	EU	29/Jun 14:30	Jun	45.6	
Consumer Confid. Final	EU	29/Jun 14:30	Jun	-23.6	-23.6
Economic Sentiment	EU	29/Jun 14:30	Jun	105.0	103.0
Services Sentiment	EU	29/Jun 14:30	Jun	14.0	12.5
Core PCE Prices Fnal*	US	29/Jun 18:00	Q1	5.1	5.1

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0583	1.0606	1.0502	1.0518	-0.61%
GBP	1.2263	1.2291	1.2177	1.2182	-0.67%
JPY	135.44	136.38	135.1	136.12	0.51%
TRY	0.0604	0.0606	0.0596	0.06	-0.50%
Dollar Idx	103.971	104.606	103.77	104.506	0.55%
Brent	115.74	118.27	115.72	117.98	2.51%
WTC	-	-	-	113.66	1.99%
Gold	1822.5748	1829.39	1817.7	1819.6949	-0.17%
KWSE Index	7338.23	7340.31	7300.81	7331.73	0.00%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	1.00	3M	2.13
SW	1.50	6M	2.44
1M	1.81	1Y	2.75

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30625

3M% CHG

0.61%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	16/Jun/'22	1.63	1.38	0.25
1W Repo Rate	16/Jun/'22	1.88	1.63	0.25
1M Repo Rate	16/Jun/'22	2.38	2.13	0.25
KWD ON Rate	16/Jun/'22	10.00	10.00	0.00
Discount Rate	16/Jun/'22	2.25	2.00	0.25

LIBOR RATES

Tenor	Value	Tenor	Value
ON	1.57	3M	2.23
SW	0.00	6M	2.86
1M	1.65	1Y	3.57
2M	0.00		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	15/Jun/'22	1.75	0.00	1.75
ECB Refinancing Rate	10/Mar/'16	0.00	0.05	-0.05
BOE Bank Rate	16/Jun/'22	1.25	1.00	0.25
BOJ Prime Rate	10/Jun/'22	1.20	1.10	0.10
TRY ON Lending Rate	17/Feb/'22	15.50	15.50	0.00

KEY INTERNATIONAL STORIES

U.S. consumer confidence index tumbles in June

WASHINGTON, June 28 (Reuters) - U.S. consumer confidence fell sharply in June as worries about high inflation left consumers anticipating economic growth would weaken significantly in the second half of the year. The Conference Board said on Tuesday its consumer confidence index dropped 4.5 points to a reading of 98.7 this month. The present situation index, based on consumers' assessment of current business and labor market conditions, slipped to 147.1 from 147.4 last month. The expectations index, based on consumers' short-term outlook for income, business, and labor market conditions, tumbled to 66.4 - the lowest level since March 2013.

UK shop prices jump by the most since 2008 - BRC

LONDON, June 29 (Reuters) - British retailers raised prices at the fastest pace since 2008 this month, driven by the rapidly rising cost of food, according to industry data that showed the extent of the inflation squeeze for households. The British Retail Consortium (BRC) said on Wednesday that average prices among its members in early June were 3.1% higher than a year earlier, the biggest jump since September 2008 and speeding from May's 2.8% rise. The BRC's measure of inflation covers a narrower range of goods than Britain's official consumer prices index, which showed inflation hit a 40-year high of 9.1% in May.

Australia retail sales beat forecasts in May, higher prices a factor

SYDNEY, June 29 (Reuters) - Australian retail sales again beat expectations in May as consumers spent more on eating out and in department stores, suggesting demand is proving resilient in the face of surging inflation and rising interest rates. Retail sales rose 0.9% in May, the fifth straight month of growth and double market forecasts of a 0.4% increase, data from the Australian Bureau of Statistics showed on Wednesday. Sales rose to a record A\$34.2 billion (\$23.64 billion), up a hefty 10.4% on May last year, though some of that reflects an increase in prices rather than volumes.

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Japan May retail sales rise faster than expected as COVID curbs ease

TOKYO, June 29 (Reuters) - Japanese retail sales rose for a third month in May, reinforcing views that strong consumption will lead an economic rebound this quarter, although rising inflation poses a risk to household spending for the rest of 2022. Retail sales rose 3.6% in May from a year earlier, government data showed on Wednesday, slightly higher than the median market forecast for a 3.3% gain. The rebound in service consumption and the broader household spending likely boosted the world's third-largest economy, with analysts in the latest Reuters poll expecting an annualised 4.1% growth in Japan's gross domestic product this quarter after a 0.5% contraction in January-March.

World Bank keeps Thai GDP growth outlook at 2.9% this year

BANGKOK, June 29 (Reuters) - Thailand's economy is expected to grow 2.9% this year, unchanged from a forecast in April, supported by private consumption and tourism recovery, the World Bank said on Wednesday. The number of tourist arrivals is expected to climb to 6 million this year, up from 0.4 million in 2021, and reach 24 million, or around 60% of pre-pandemic levels, by 2024. After maintaining a policy rate at a historical low throughout the pandemic, there is now increased scope for the Thai central bank to commence interest rate normalisation, the agency said.

Oil prices take breather after three-day rally

TOKYO, June 29 (Reuters) - Oil prices fell on Wednesday after rising in the previous three sessions but losses were limited on the view that global supply tightness will continue as there is limited room for major producers such as Saudi Arabia to boost production. U.S. West Texas Intermediate (WTI) crude CLc1 futures slid 44 cents, or 0.4%, to \$111.32 a barrel at 0150 GMT, giving up earlier gains. Brent crude LCOc1 futures for August dropped 61 cents, or 0.5%, to \$117.37 a barrel, also reversing an earlier gain. The August contract will expire on Thursday and the more-active September contract was at \$113.14, down 66 cents, or 0.6%.