



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

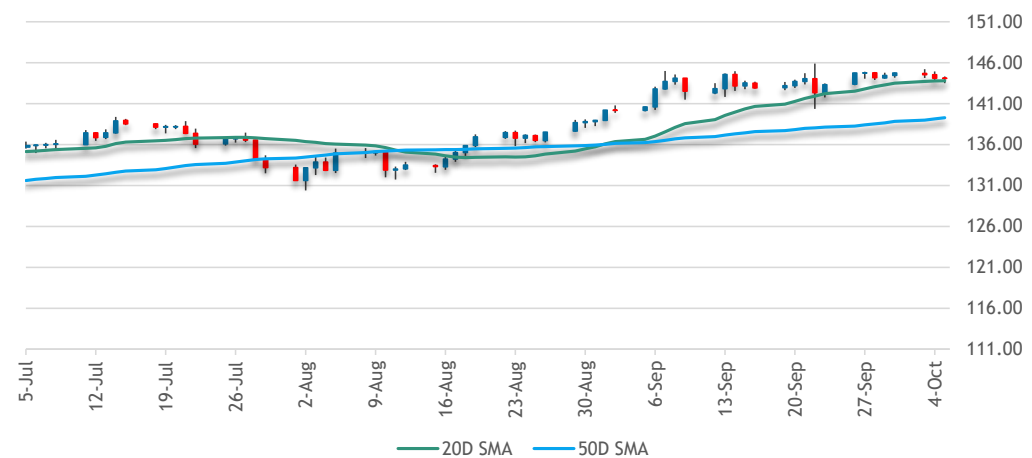
KFH Treasury



Report produced on
Wed, 05-Oct-2022

Forex Market

JAPANESE YEN



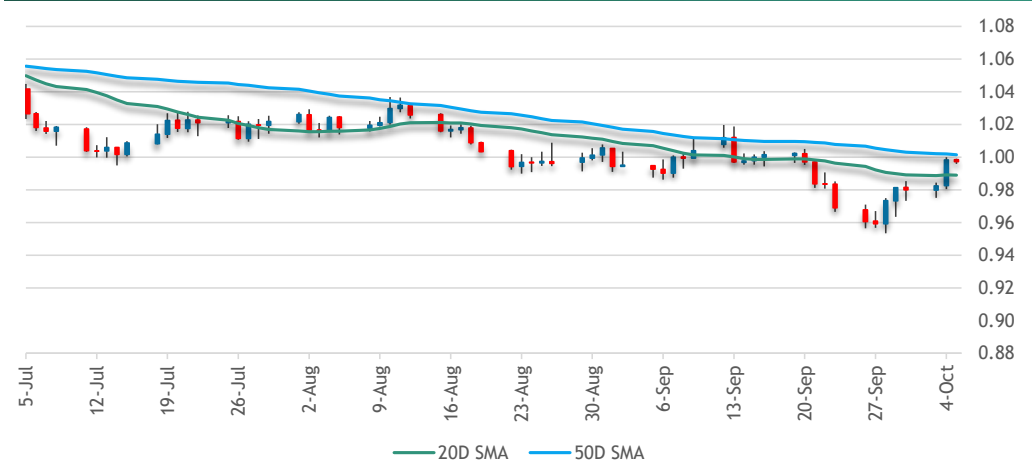
CLOSE **144.09** 1M %chg **2.77%** 3M %chg **6.19%**

USD/JPY-145/146 proving resilient, as yield spreads close - Reuters

05-Oct-2022 05:00:06 AM

- * -0.05% early after closing down 0.3% with the U.S. dollar broadly lower
- * The USD fell, but Treasury yields only edged lower, supporting USD/JPY
- * A seventh day of choppy consolidation below 145/146 BoJ intervention level
- * If UST yields continue to consolidate or ease, 145/146 a potential top
- * Rising Kijun line held on BoJ intervention - pivotal 142.09 support
- * New York 144.94 high is first resistance then Monday's 145.40 peak
- * Late New York 143.90 low then 143.58 Tenkan line are initial supports
- * Broad 143.00-146.00 range viable this week unless there is major news

EURO



CLOSE **0.9983** 1M %chg **0.32%** 3M %chg **-4.20%**

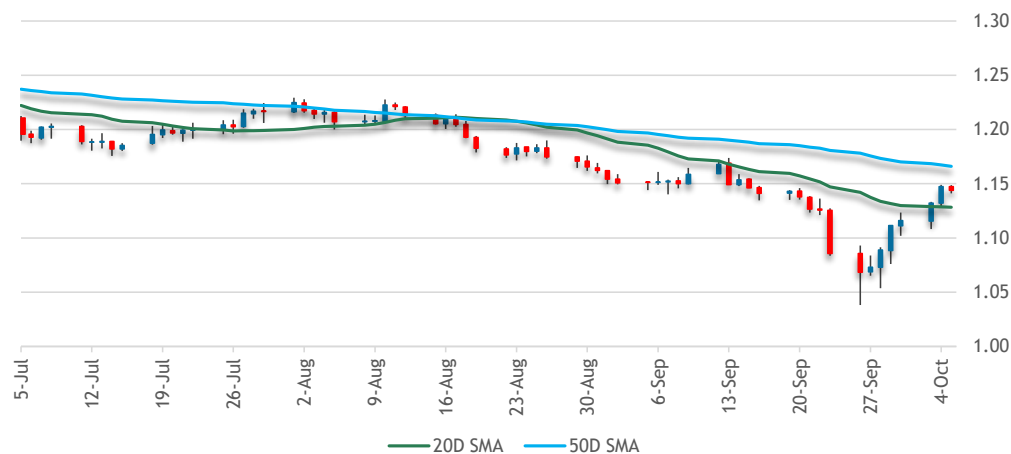
EUR/USD-Edges lower in Asia after Tuesday's big rise - Reuters News

05-Oct-2022 08:08:51 AM

- * EUR/USD opened +1.68% at 0.9988 after US yields eased and weighed on USD
- * After trading at 0.9989 it slipped lower as USD firmed and E-minis fell 0.5%
- * Talk of option related sellers around 1.0000 discouraged buyers
- * EUR/USD eased to 0.9960 before settling around 0.9970 into the afternoon
- * Support is at former resistance at the 21-day MA at 0.9896
- * A descending trend-line drawn from Feb 10 high at 1.1495 comes in at 1.0061
- * EUR/USD ended its short-term trend lower yesterday and may consolidate
- * Market may look ahead to key US non-farm payrolls Friday for next big move

Forex Market

POUND STERLING



CLOSE

1.1473

1M %chg

-0.30%

3M %chg

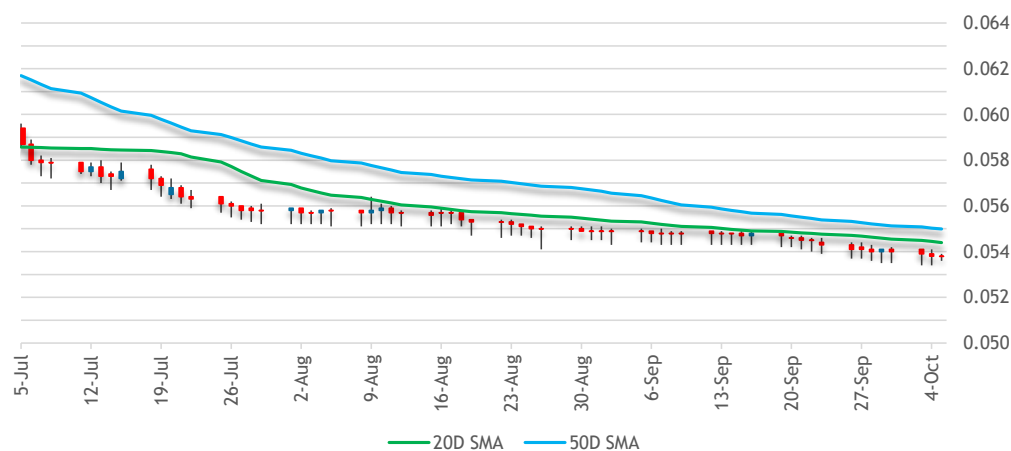
-5.22%

Sterling soars amid broad risk rally as U.S. yields dip - Reuters

04-Oct-2022 09:40:51 PM

- * Sterling +1.04% at 1.1440 into NY close; NorAm range 1.1490-1.1300
- * Pair bid on lower Fed view, FF futures price Apr 2023 terminal high 4.46%
- * Tax cut walk back, BoE bond-buying keep GBP on upward trajectory
- * Falling US yields allow sterling to aim higher
- * UST yields moved lwr, weighing on USD after JOLTS data fell more than exp'd
- * 30-DMA at 1.1408 gives way, bulls eye Sept 15 high 1.1549, 55-DMA 1.1708
- * Support at 30-DMA, 30-HMA 1.1333, 21-DMA at 1.1309, Tuesday low 1.1282

TURKISH LIRA



CLOSE

0.0538

1M %chg

-2.00%

3M %chg

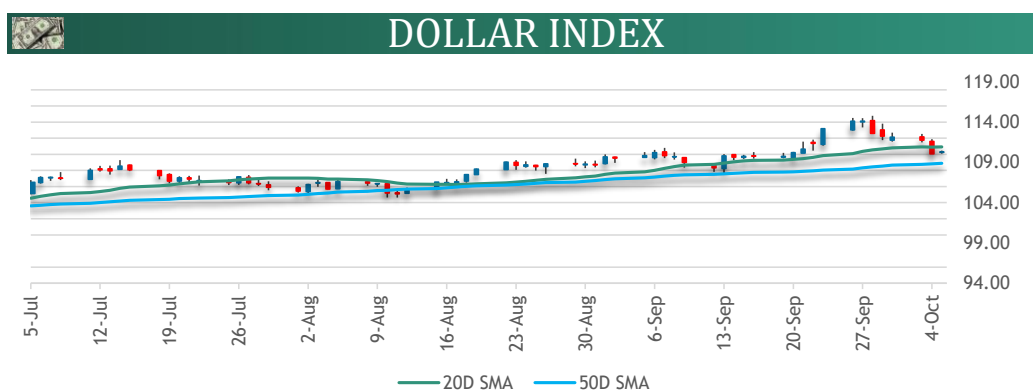
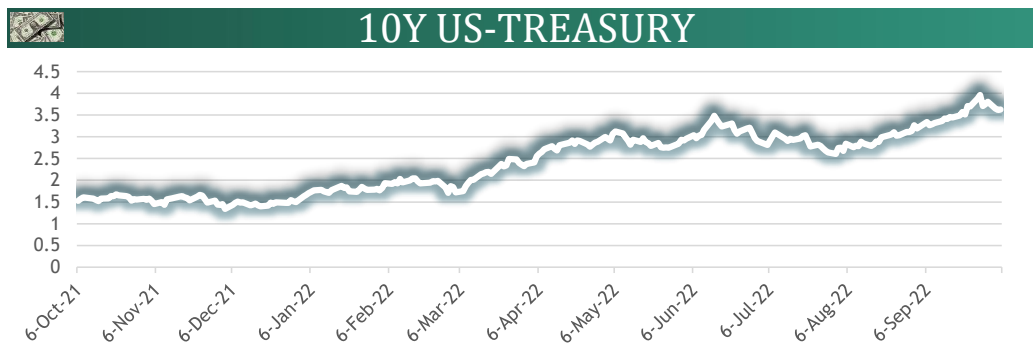
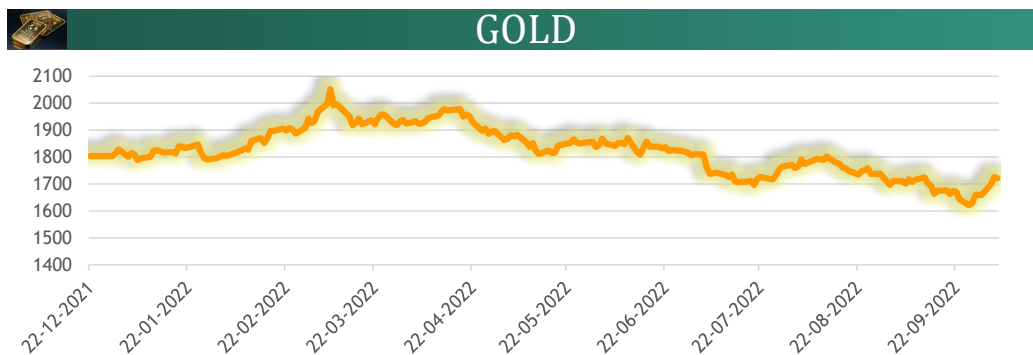
-9.43%

Turkish trade deficit surges to \$10.38 bln in September - Reuters

04-Oct-2022 01:07:14 PM

ISTANBUL, Oct 4 (Reuters) - Turkey's trade deficit leapt 298% year-on-year in September to \$10.384 billion, the Trade Ministry said on Tuesday, as surging energy import costs continue to widen the shortfall. Exports rose 9.2% to \$22.62 billion in September, while imports jumped 41.5% to \$33.00 billion, the data showed. In a speech, Trade Minister Mehmet Mus said energy imports constituted around a third of total imports in the first nine months of the year.

Gold, US Treasury & Dollar Index



US 10YT YIELD

3.63

1M %chg

13.35%

3M %chg

24.55%

PRECIOUS-Gold retreats as dollar perks up ahead of U.S. jobs data

05-Oct-2022 08:28:51 AM

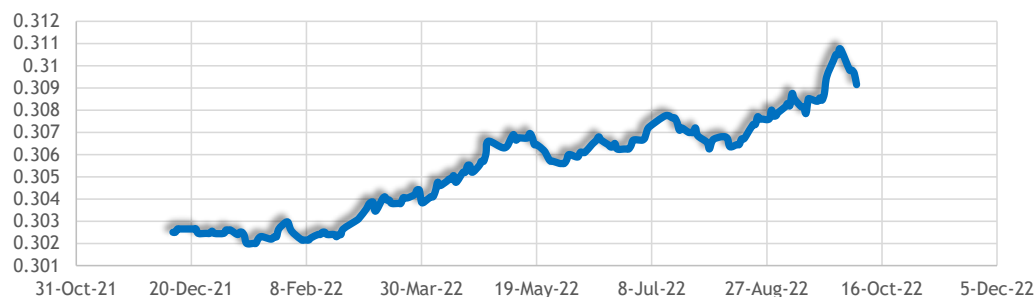
Oct 5 (Reuters) - Gold prices fell on Wednesday as a firmer dollar dampened greenback-priced bullion's appeal for overseas buyers, while investors awaited U.S. jobs report to gauge the Federal Reserve's policy tightening path. Spot gold XAU= was down 0.4% at \$1,719.30 per ounce, as of 0401 GMT. Bullion prices hit its highest since Sept. 13 at \$1,729.39 in the previous session. U.S. gold futures GCv1 dipped 0.1% to \$1,728.30. The dollar index =USD edged 0.2% higher, after the unit shed 1.3% overnight to mark its biggest drop since March 2020. Gold could break above the resistance level of \$1,735 in case of a weak ADP employment data, City Index analyst Matt Simpson said, adding markets are very sensitive to employment data at the moment. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose by 1.74 tonnes on Tuesday. Spot silver XAG= slipped 1.6% to \$20.78 per ounce, platinum XPT= fell 0.9% to \$921.89 and palladium XPD= was down 0.7% at \$2,299.24.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Foreign Bond Investment	JP	05-Oct 05:20	w/e	-1102.5	
Foreign Invest JP Bonds*	JP	05-Oct 05:20	w/e	-2862.8	
S&P Global Comp Final PMI	EU	05-Oct 13:30	Sep	48.2	48.2
S&P Global Serv Final PMI	EU	05-Oct 13:30	Sep	48.9	48.9
Composite PMI Final	GB	05-Oct 14:00	Sep	48.4	48.4
S&P GLBL/CIPS SVC PMI FNL	GB	05-Oct 14:00	Sep	49.2	49.2
International Trade \$ *	US	05-Oct 18:00	Aug	-70.7	-67.7
S&P Global Svcs PMI Final	US	05-Oct 19:15	Sep	49.2	
S&P Global Comp Final PMI	US	05-Oct 19:15	Sep	49.3	
ISM N-Mfg New Orders Idx	US	05-Oct 19:30	Sep	61.8	
ISM N-Mfg PMI	US	05-Oct 19:30	Sep	56.9	56.0

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	0.9825	0.9999	0.9804	0.9983	1.62%
GBP	1.1321	1.1489	1.1278	1.1473	1.33%
JPY	144.53	144.93	143.88	144.09	-0.30%
TRY	0.0539	0.0541	0.0534	0.0538	-0.19%
Dollar Idx	111.588	111.886	110.055	110.065	-1.50%
Brent	88.81	92.4	88.78	91.8	3.31%
WTC	-	-	-	86.87	3.36%
Gold	1698.59	1729.39	1694.07	1726.2408	1.59%
KWSE Index	7087.95	7198.64	7075.92	7186.53	2.93%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	1.81	3M	3.13
SW	2.63	6M	3.50
1M	2.75	1Y	3.81

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30965

3M% CHG

0.98%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	22-Sep-'22	2.38	2.13	0.25
1W Repo Rate	22-Sep-'22	2.63	2.38	0.25
1M Repo Rate	22-Sep-'22	3.13	2.88	0.25
KWD ON Rate	22-Sep-'22	10.00	10.00	0.00
Discount Rate	22-Sep-'22	3.00	2.75	0.25

LIBOR RATES

Tenor	Value	Tenor	Value
ON	3.07	3M	3.75
SW	0.00	6M	4.27
1M	3.17	1Y	4.80
2M	0.00		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	21-Sep-'22	3.25	1.50	1.75
ECB Refinancing Rate	08-Sep-'22	1.25	0.50	0.75
BOE Bank Rate	22-Sep-'22	2.25	1.75	0.50
BOJ Prime Rate	09-Sep-'22	1.25	1.20	0.05
TRY ON Lending Rate	18-Aug-'22	14.50	15.50	-1.00

KEY INTERNATIONAL STORIES

U.S. job openings drop sharply, labor market starting to loosen

WASHINGTON, Oct 4 (Reuters) - U.S. job openings fell by the most in nearly 2-1/2 years in August, suggesting that the labor market was starting to cool as the economy grapples with higher interest rates aimed at dampening demand and taming inflation. Despite the fifth month of decreases in job openings this year reported by the Labor Department in its Job Openings and Labor Turnover Survey, or JOLTS report, on Tuesday, vacancies remained above 10 million for the 14th straight month. The job openings rate fell to 6.2% from 6.8% in July. Hiring increased moderately, keeping the hiring rate at 4.1%.

UK finance minister Kwarteng says setting tax is important to sovereignty

BIRMINGHAM, England, Oct 4 (Reuters) - British finance minister Kwasi Kwarteng said on Tuesday he believed that setting tax rates was an important mark of sovereignty when asked about OECD moves towards global minimum tax rates or G7 standards. "We are always open but setting tax is an important mark of sovereignty," Kwarteng said when asked about OECD (Organisation for Economic Co-operation and Development) or G7 standards. A government source said on Monday that Kwarteng will announce the medium-term fiscal plan in October, sooner than his original planned date of Nov. 23.

Euro zone Aug producer prices rise slightly more than expected

BRUSSELS, Oct 4 (Reuters) - Euro zone producer prices jumped slightly more than expected in August, data showed on Tuesday, driven mainly by continuously rising energy costs, but price increases excluding that most volatile component decelerated. The European Union's statistics office Eurostat said prices at factory gates in the 19 countries sharing the euro rose 5.0% month-on-month for a 43.3% year-on-year surge. Economists polled by Reuters had expected a 4.9% monthly rise and a 43.1% annual increase. Rocketing energy prices were the main driver of the overall index, rising 11.8% on the month and 116.8% year-on-year.

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Australia job ads dip 0.5% in Sept, still high historically

SYDNEY, Oct 4 (Reuters) - Australian job advertisements dipped slightly in September but remained at lofty levels that imply demand for labour remains strong and a further drop in unemployment is likely, a survey showed on Tuesday. Figures from Australia and New Zealand Banking Group ANZ.AX showed total job ads fell 0.5% in September from August, when they rose 1.5%. Ads were up 17.7% on a year earlier at 242,138, still 56% above pre-pandemic levels. The jobless rate is near five-decade lows at 3.5% having fallen sharply this year amid strong demand and a scarcity of suitable workers.

Philippines' 4-year high inflation boosts chances of more rate hikes

MANILA, Oct 5 (Reuters) - Philippine annual inflation quickened to 6.9% in September, hitting its fastest pace in four years, firming up expectations the central bank will hike rates further before the year ends. The September inflation rate, which was above the 6.7% forecast in a Reuters poll, was driven mainly by high food and utility prices and brought the average rate in the nine months to September to 5.1%, the statistics agency said on Wednesday, well outside the central bank's 2% to 4% target. Core inflation, which strips out volatile food and fuel items, eased to 4.5% in September from 4.6% in August, the statistics agency said.

Oil climbs ahead of OPEC+ talks on supply cut

MELBOURNE, Oct 5 (Reuters) - Oil prices inched up on Wednesday extending 3% gains in the previous session ahead of a meeting of OPEC+ producers to discuss a big output cut in what energy executives and analysts see as a tightly supplied market. Brent crude LCOc1 rose 11 cents to \$91.91 a barrel, after climbing \$2.94 in the previous session. U.S. West Texas Intermediate (WTI) crude CLc1 futures picked up 5 cents to \$86.57 a barrel after gaining \$2.89 in the previous session. The United States is pushing OPEC+ producers not to go ahead with deep cuts, a source familiar with the matter told Reuters, as President Joe Biden looks to prevent a rise in U.S. gasoline prices.