



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

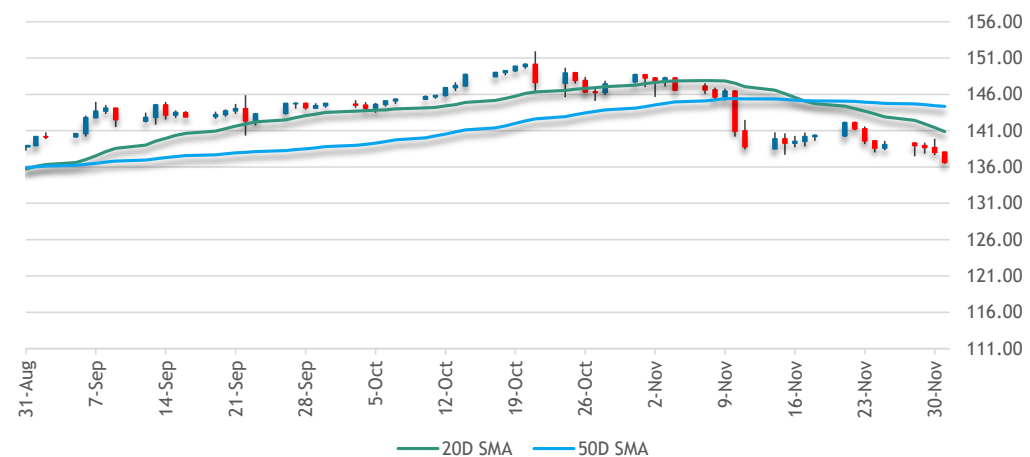
KFH Treasury



Report produced on
Thu, 01-Dec-2022

Forex Market

JAPANESE YEN



CLOSE
138.03

1M %chg
-6.39%

3M %chg
-0.55%

USD/JPY off another leg in Asia, lower plane, crosses too - Reuters

01-Dec-2022 07:39:42 AM

- * USD/JPY off another big leg in Asia on dovish Fed Powell talk
- * From 138.11 to 136.50 EBS, below recent 137-142 core range
- * Lower range now eyed with Powell signalling slower pace of rate hikes
- * US yields heavy too, Treasury 2s @4.326%, 10s @3.621%
- * Some Japanese importer buys but not large, exporters hitting bounces
- * Few large nearby option expiries today, not a factor
- * Mixed Japan data, flow data, BOJ easy talk all taken in stride
- * BOJ fails to cap 10-year yields on auction day but seen ready to act
- * Market risk on, Nikkei +1.1% @28,281, E-Minis around par @4080, AXJ up
- * EUR/JPY 143.75 to 142.46 EBS, GBP/JPY 166.62 to 164.99, heavy too

EURO



CLOSE
1.0405

1M %chg
4.44%

3M %chg
3.93%

EUR/USD-Firms in Asia as impact of Powell comments resonate - Reuters News

01-Dec-2022 07:40:45 AM

- * EUR/USD opened +0.73% at 1.0409 after USD fell following Powell speech
- * The post-Powell rally continued in Asia and EUR/USD traded up to 1.0447
- * Sellers ahead of 1.0450 capped and it settled around 1.0430
- * Support is at the 200-day MA at 1.0370 where buyers are tipped
- * Key support at 21-day MA at 1.0256 and break would suggest top is forming
- * Sellers are tipped ahead of 1.0500 with the 50% of 2022 high/low at 1.0511
- * EUR/USD likely to remain bid unless Fed pushes back on market reaction

Forex Market

POUND STERLING



CLOSE
1.2056

1M %chg
3.84%

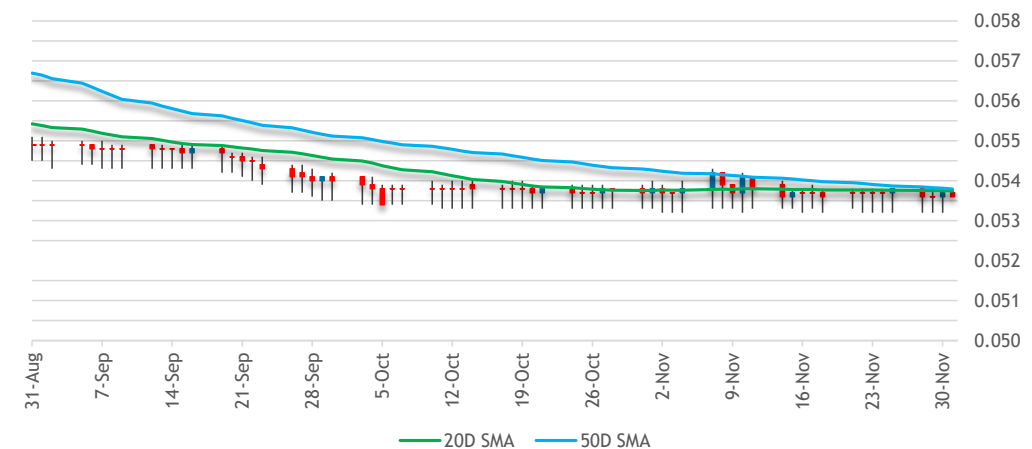
3M %chg
3.44%

GBP/USD-Early dip reversed as hawkish Powell prepping proved unneeded - Reuters

01-Dec-2022 11:10:04 PM

- * Sterling rose 0.55% after an earlier fall on fear of hawkish Powell speech
- * US data a mixed bag, with some beats and even bigger 2nd tier data misses
- * Prices up from nice round 1.1900 Wed low to beyond 1.2000 after Powell
- * Fed Chair affirmed slowing rate hikes, ceiling data-dependent
- * And beige book report clearly suggesting economy cooling
- * Treasury yields tumbled from intraday gains, lifting risk and hitting dollar
- * Sterling a risk-sensitive pair, but still has key 200-DMA to clear at 1.2161

TURKISH LIRA



CLOSE
0.0537

1M %chg
-0.19%

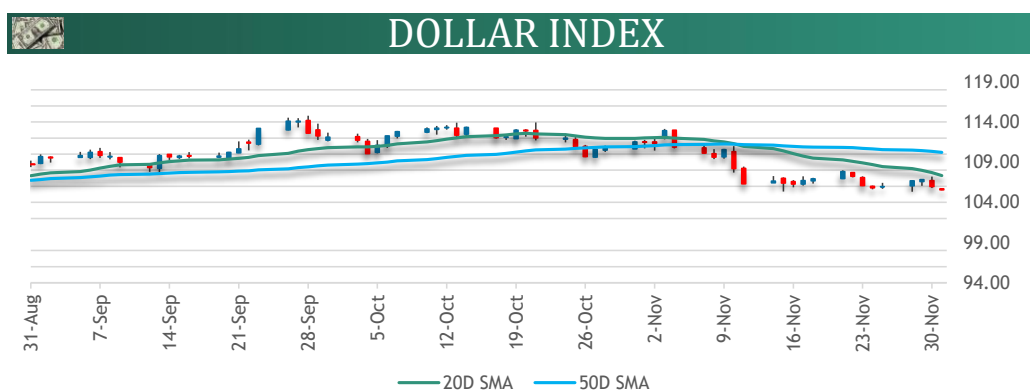
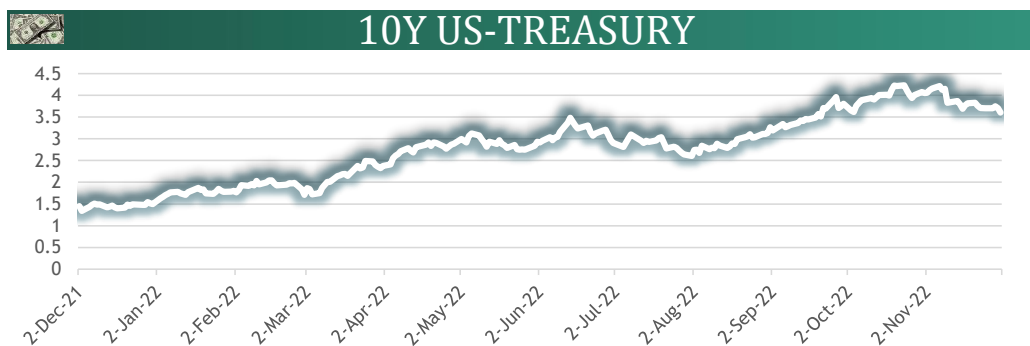
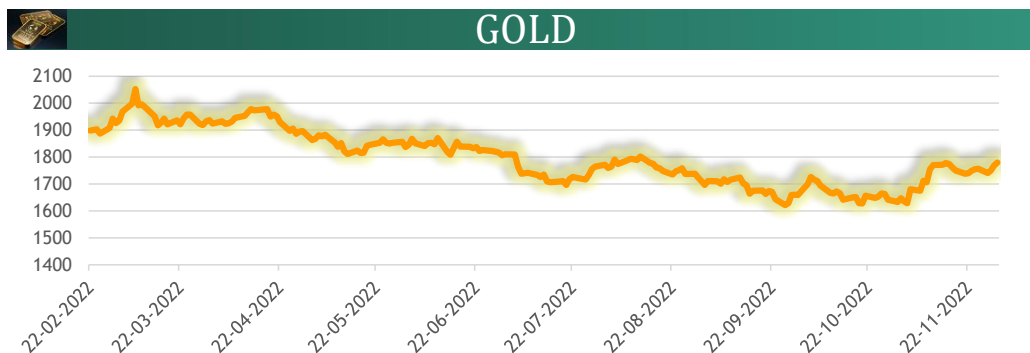
3M %chg
-2.19%

Turkey - Factors to Watch on Dec. 1 - Reuters News

01-Dec-2022 08:36:25 AM

ANKARA, Dec 1 (Reuters) - The lira TRYTOM=D3 closed at 18.6390 against the dollar at 0432 GMT, unchanged from its closing level on Wednesday. The main BIST 100 share index .XU100 closed 0.31% higher at 4,977.64 points on Wednesday. Turkey's economy expanded 3.9% in the third quarter from a year ago, according to official data released on Wednesday, though growth slowed from the previous quarter as a global slowdown put a drag on exports, but the tourism sector remained strong.

Gold, US Treasury & Dollar Index



US 10YT YIELD

3.61

1M %chg

-7.71%

3M %chg

19.00%

PRECIOUS-Gold hits 2-week high on hopes of smaller U.S. rate hikes

01-Dec-2022 07:07:45 AM

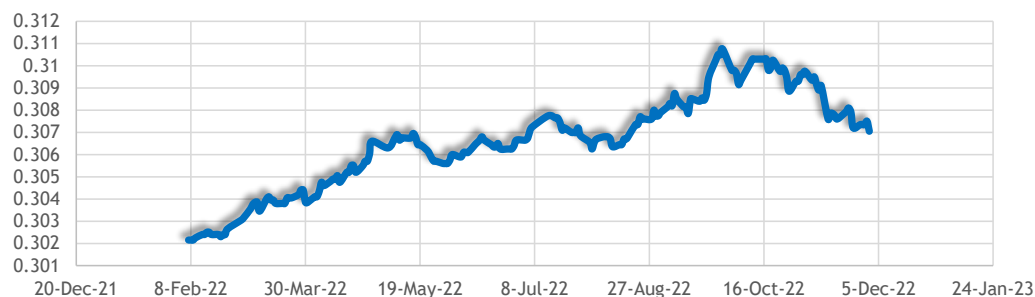
Dec 1 (Reuters) - Gold touched a two-week high on Thursday, supported by a weaker dollar after U.S. Federal Reserve Chair Jerome Powell's speech sparked expectations of smaller interest rate hikes ahead. Spot gold rose 0.4% to \$1,774.62 per ounce, and hit its highest level since Nov. 16. U.S. gold futures climbed 1.6% to \$1,788.70. The dollar index inched 0.3% lower. A weaker greenback makes gold more attractive for overseas buyers. Market participants now expect a 91% chance of a 50 basis points rate hike. Investors' attention now turns to the U.S. Labor Department's non-farm payrolls data on Friday, which could influence Fed's policy decisions. Lower rates tend to boost bullion's appeal as it reduces the opportunity cost of holding the non-yielding asset, which ended November more than 8% higher, its biggest monthly gain since July 2020. Spot silver edged up 0.2% to \$22.24, platinum rose 0.7% to \$1,040.13 and palladium gained 0.9% to \$1,897.63.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Monetary Base YY*	JP	01-Dec 05:20	Nov	-6.84	
Nationwide house price mm*	GB	01-Dec 12:30	Nov	-0.9	-0.3
S&P Global Mfg Final PMI	EU	01-Dec 14:30	Nov	47.3	47.3
S&P GLBL/CIPS Mfg PMI FNL	GB	01-Dec 15:00	Nov	46.2	46.2
Unemployment Rate	EU	01-Dec 15:30	Oct	6.6	6.6
Consumption, Adjusted MM*	US	01-Dec 19:00	Oct	0.6	0.8
Personal Income MM*	US	01-Dec 19:00	Oct	0.4	0.4
Initial Jobless Clm*	US	01-Dec 19:00	w/e	240	235
Cont Jobless Clm*	US	01-Dec 19:00	w/e	1.551	1.573
Core PCE Price Index MM *	US	01-Dec 19:00	Oct	0.5	0.3
ISM Mfg Prices Paid	US	01-Dec 20:30	Nov	46.6	47.5

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0327	1.0428	1.0288	1.0405	0.76%
GBP	1.1949	1.2087	1.1897	1.2056	0.86%
JPY	138.68	139.89	137.64	138.03	-0.47%
TRY	0.0536	0.0538	0.0532	0.0537	0.19%
Dollar Idx	106.723	107.195	105.778	105.95	-0.82%
Brent	83.77	85.67	83.61	85.43	2.89%
WTC	-	-	-	80.48	3.23%
Gold	1749.75	1769.88	1743.78	1768.45	1.07%
KWSE Index	7543.02	7587.4	7541.5	7584.59	0.67%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.38	3M	4.00
SW	3.38	6M	4.25
1M	3.56	1Y	4.50

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30750

-0.08%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	03-Nov-'22	3.13	2.38	0.75
1W Repo Rate	03-Nov-'22	3.38	2.63	0.75
1M Repo Rate	03-Nov-'22	3.88	3.13	0.75
KWD ON Rate	03-Nov-'22	10.00	10.00	0.00
Discount Rate	03-Nov-'22	3.00	3.00	0.00

LIBOR RATES

Tenor	Value	Tenor	Value
ON	3.82	3M	4.76
SW	0.00	6M	5.21
1M	4.12	1Y	5.55
2M	0.00		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	02-Nov-'22	4.00	2.25	1.75
ECB Refinancing Rate	27-Oct-'22	2.00	1.25	0.75
BOE Bank Rate	03-Nov-'22	3.00	2.25	0.75
BOJ Prime Rate	09-Sep-'22	1.25	1.20	0.05
TRY ON Lending Rate	21-Oct-'22	12.00	13.50	-1.50



KEY INTERNATIONAL STORIES

U.S. job openings fall in October; labor market still tight

WASHINGTON, Nov 30 (Reuters) - U.S. job openings decreased in October, but remained significantly high, pointing to continued labor market resilience despite the Federal Reserve's efforts to cool demand by aggressively raising interest rates. October's job openings were in line with economists' expectations. There were 1.7 job openings for every unemployed person in October, down from 1.9 in September. Last month's decrease in job openings was led by state and local government, excluding education, where vacancies dropped by 101,000. The job openings rate fell to 6.3% from 6.5% in September.

UK public's inflation expectations ease in Nov - Citi/YouGov - Reuters News

LONDON, Nov 30 (Reuters) - The British public's expectations for inflation over the coming years eased back further in November from record highs reached in August, a monthly Citi/YouGov survey showed, suggesting less pressure on the Bank of England to raise rates. The British central bank looks closely at surveys of inflation expectations as a guide to how likely businesses are to charge higher prices and whether workers will seek bigger pay rises, which can potentially entrench high rates of inflation. Consumer price inflation hit a 41-year high of 11.1% in October, largely due to a surge in energy prices and labour shortages.

Big euro zone inflation drop bolsters hopes for smaller ECB hike

FRANKFURT, Nov 30 (Reuters) - Euro zone inflation eased far more than expected in November, raising hopes that sky-high price growth is now past its peak and bolstering, if not outright sealing the case for a slowdown in European Central Bank rate hikes next month. Consumer prices in the 19 countries sharing the euro grew by 10.0% this month after a 10.6% increase in October, coming in well below expectations for 10.4%. The overall picture is more nuanced, however, as energy prices accounted for the bulk of the slowdown while underlying price growth remained stubbornly high and food prices, a key worry, continued to rise.

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Australia business investment dips in Q3, outlook still solid

SYDNEY, Dec 1 (Reuters) - Australian business investment dipped unexpectedly in the third quarter as miners cut back on new equipment, though firms affirmed plans for solid spending in the year ahead. Data from the Australian Bureau of Statistics on Thursday showed private capital spending fell a real 0.6% in the September quarter from the previous quarter, missing forecasts of a 1.5% increase. Firms did, however, upgrade spending plans for the year to June 2023 to A\$155.7 billion (\$105.9 billion), up 5.6% on the previous estimate and in line with analyst expectations. The cash rate has already risen 275 basis points to 2.85%.

Bank of Mexico upbeat on inflation, growth; end of rate hike cycle in view

MEXICO CITY, Nov 30 (Reuters) - The Bank of Mexico on Wednesday issued more upbeat forecasts for inflation and economic growth, while highlighting that the end could be in sight for its interest rate hiking cycle, which kicked off in June 2021. Official data showed Mexico's annual headline inflation hit 8.14% in the first half of November, down from 8.53% a month earlier, while the core price index, which strips out some volatile food and energy prices, continued to trend up to 8.66%. Banxico forecast that Mexico's gross domestic product (GDP) would grow between 2.8% and 3.2% in 2022, a notable increase from its previous estimate of 1.7%-2.7% growth.

Oil edges higher on tight supply, China demand recovery optimism

Dec 1 (Reuters) - Oil prices nosed ahead in early Asian trade on Thursday, lifted by signs of tighter supply and by optimism over a Chinese demand recovery. Brent crude futures LCOc1 rose 5 cents, or 0.06%, to \$87.02 per barrel by 0115 GMT while U.S. West Texas Intermediate crude futures CLc1 rose 16 cents, or 0.2%, to \$80.71. U.S. crude oil stocks plunged by nearly 13 million barrels, the most since 2019, in the week ended Nov. 25, according to the Energy Information Administration. However, U.S. crude oil output surpassed 12 million barrels a day, the highest since before the onset of the coronavirus pandemic, the EIA said.