



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

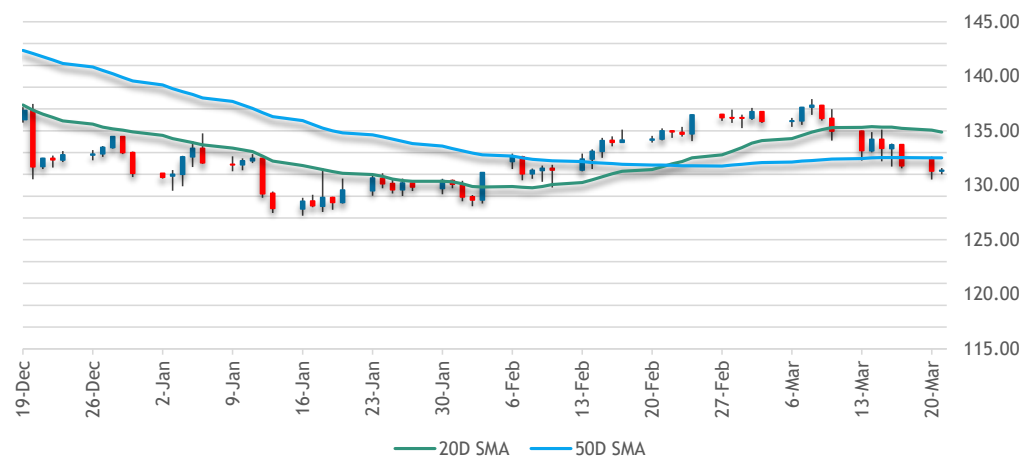
KFH Treasury



Report produced on
Tue, 21-Mar-2023

Forex Market

JAPANESE YEN

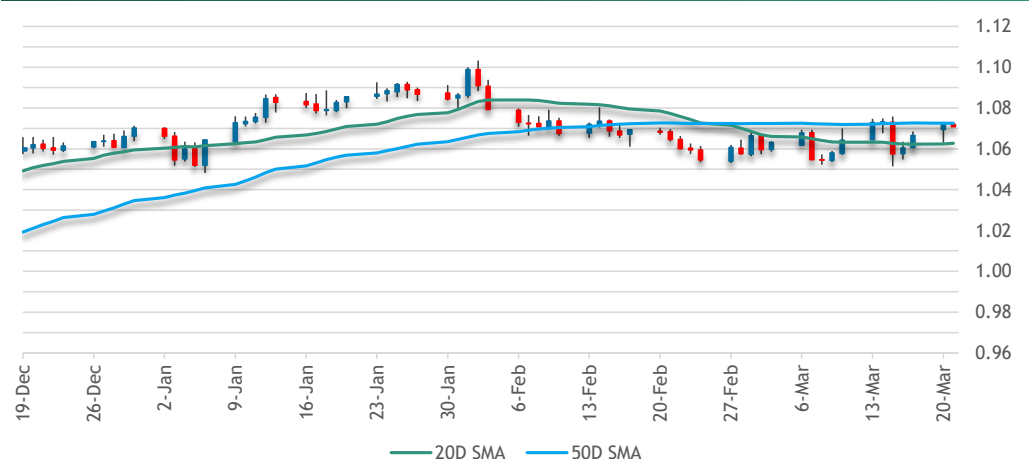


CLOSE **131.31** 1M %chg **-2.18%** 3M %chg **-0.30%**

USD/JPY-Consolidates, traders hit pause as Fed looms Wed - Reuters News

- 21-Mar-2023 06:54:04 AM
- * USD/JPY down 0.1% in Asia after trading in a 131.05-131.60 range Tuesday
 - * Initial rise to 131.60 sold on simmering concerns about regional U.S. banks
 - * U.S. officials study ways to expand FDIC coverage to all deposits- Bloomberg
 - * News sparks selling on concerns about stability of U.S. financial system
 - * Decline to 131.05 ensues with S&P E-Mini giving back earlier gains of 0.4%
 - * Bids near 131.00 support, E-Mini rallies 0.2%, dollar recovers to 131.25
 - * Markets subdued on caution ahead of Fed rate decision Wed, Japan holiday Tue
 - * Support 130.85-90, 130.55-60, resistance 131.60, 131.80-85

EURO



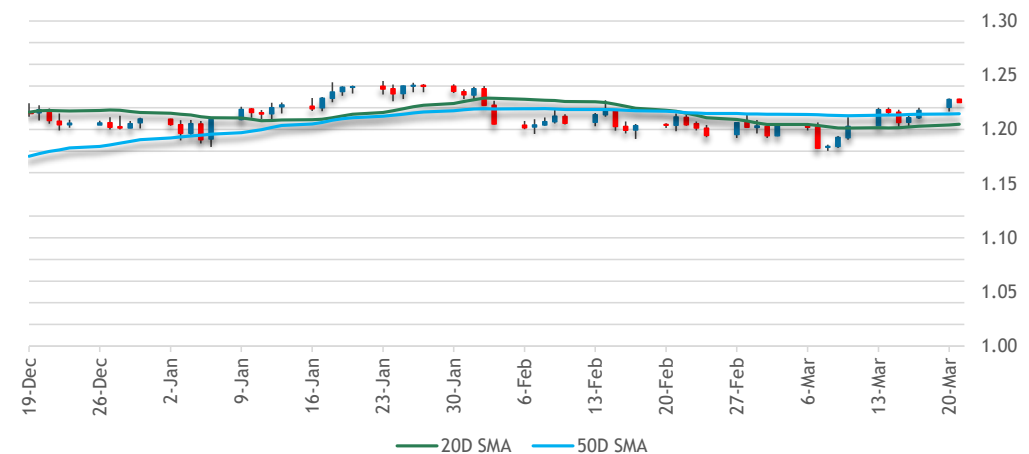
CLOSE **1.0719** 1M %chg **0.35%** 3M %chg **0.92%**

EUR/USD-Opens higher as markets calm down for now - Reuters News

- 21-Mar-2023 02:58:47 AM
- * EUR/USD opens +0.53% after risk assets recovered from early weakness
 - * Credit Suisse bailout hoped to stem banking contagion in Europe
 - * US regional banks still source of uncertainty and this is weighing on USD
 - * Key will be Fed decision Wednesday - with market leaning towards 25 bp hike
 - * Resistance is at March 15 high at 1.0760 and 50% of 1.1034/1.0516 at 1.0775
 - * Support is at the 21-day MA at 1.0630 after it held on Monday
 - * Bias is for higher, but price action likely to remain choppy

Forex Market

POUND STERLING



CLOSE **1.2276**

1M %chg **1.98%**

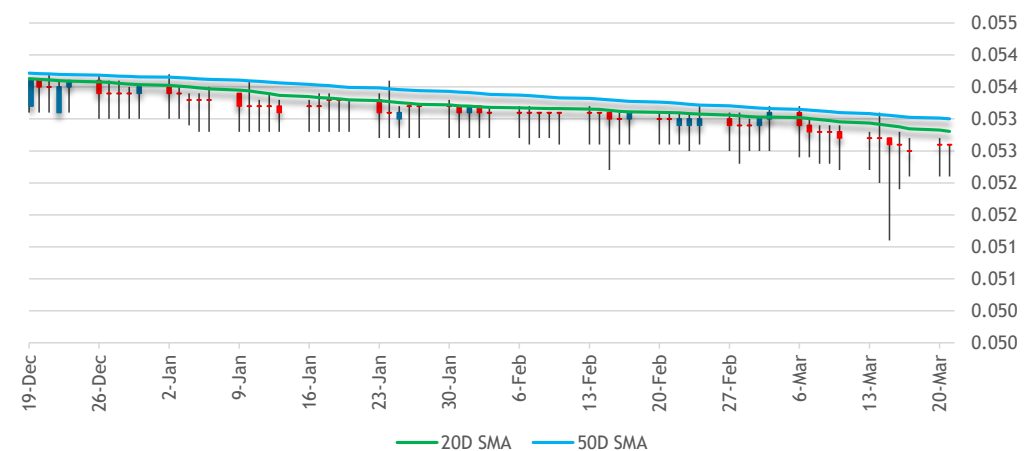
3M %chg **0.78%**

GBP/USD-Holds gains, strides confidently into risk events - Reuters News

21-Mar-2023 07:27:07 AM

- * GBP/USD -0.1%, touch softer in Asia but holds most of its overnight gains
- * Supported by cautiously positive risk sentiment as contagion fears recede
- * Downside limited as worries about regional U.S. banks persist
- * U.S. officials study ways to expand FDIC coverage to all deposits- Bloomberg
- * News raises traders concerns on U.S. financial system stability among
- * Markets consolidate after recent volatility, Japan holiday dampens activity
- * Traders await UK inflation data Wednesday, BOE rate decision Thursday
- * Resistance 1.2295-1.2300, 1.2350-60, support 1.2230-40, 1.2190-1.2200

TURKISH LIRA



CLOSE **0.0526**

1M %chg **-0.75%**

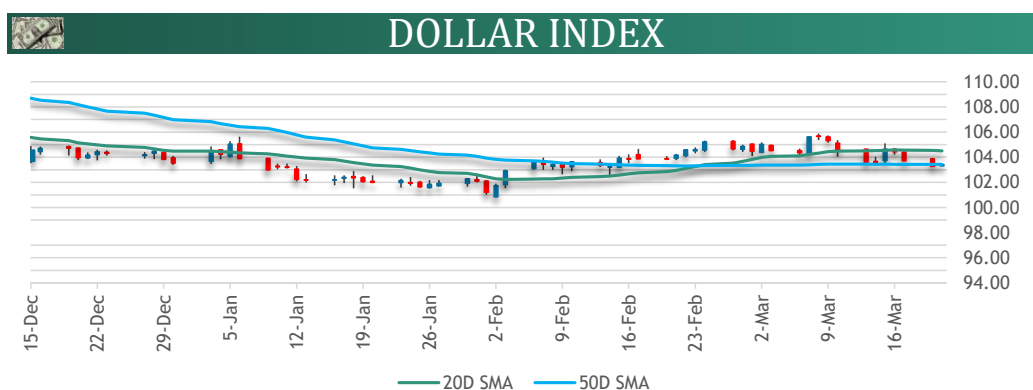
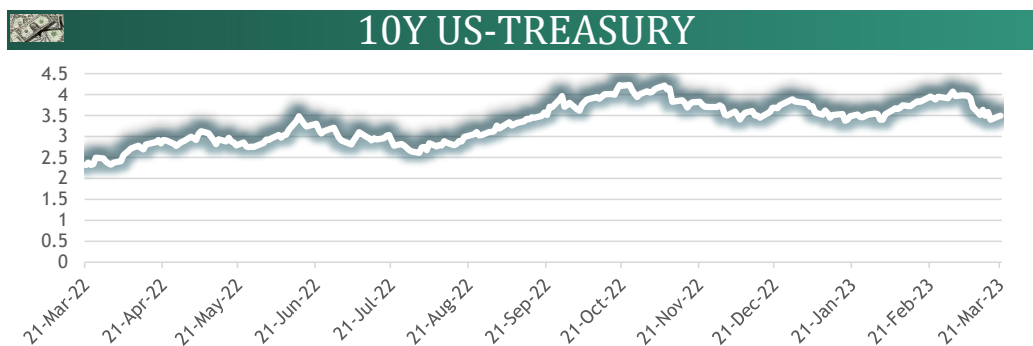
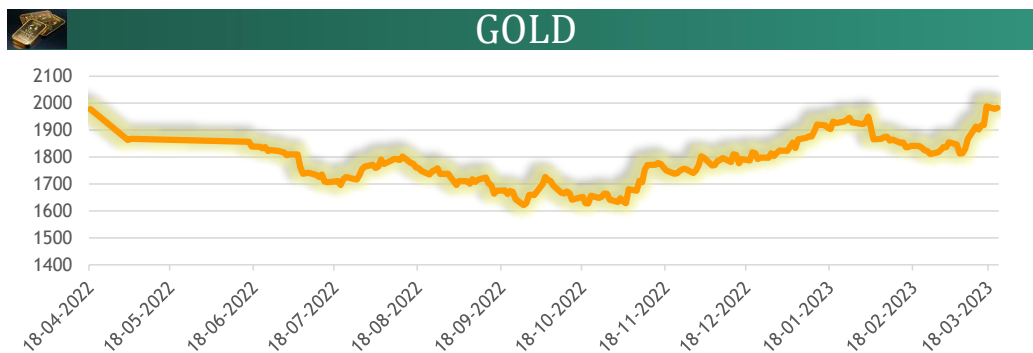
3M %chg **-1.68%**

Turkey - Factors to Watch

21-Mar-2023 09:00:22 AM

ISTANBUL, March 21 (Reuters) - The lira TRYTOM=D3 stood at 19.0205 against the dollar at 0439 GMT, slightly weaker than its close of 19.0150 on Monday. The main BIST 100 share index .XU100 closed 3.13% lower at 4,975.47 points on Monday. Turkey's Treasury will tap a 5-year fixed-coupon bond and a 10-year CPI-indexed bond in auctions. Turkey's central bank said on Monday it will require lenders to submit monthly forex position reports on corporates that have outstanding loans of 5 million lira (\$263,002.86) or more.

Gold, US Treasury & Dollar Index



US 10YT YIELD

3.50

1M %chg

-9.17%

3M %chg

-5.62%

PRECIOUS-Gold inches higher as investors focus on Fed meeting - Reuters News

21-Mar-2023 07:55:12 AM

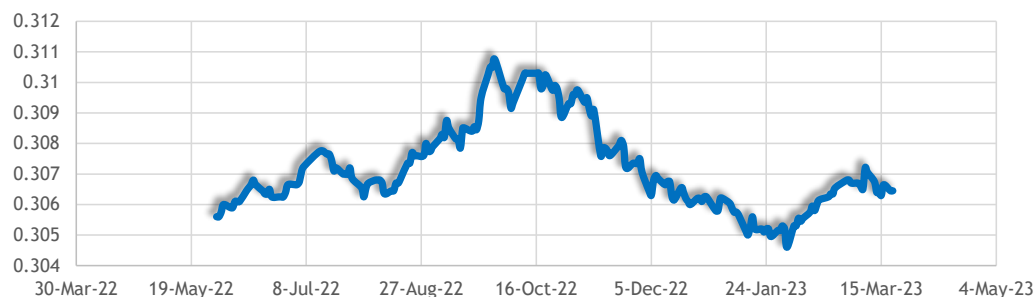
March 21 (Reuters) - Gold prices edged higher on Tuesday, with investors looking forward to the Federal Reserve policy meeting as expectations grew that the U.S. central bank would slow its monetary policy tightening given the upheaval in the banking sector. Spot gold XAU= was up 0.2% at \$1,982.59 per ounce. U.S. gold futures GCv1 also rose 0.2% to \$1,986.30. According to the CME FedWatch tool, markets are pricing in a 26.2% chance that the Fed will stand pat at the end of its March 21-22 meeting, with a 73.8% chance of a 25 basis-point (bps) hike. "Gold is trading around the \$1,980 level and well within yesterday's range, which was clearly a game of two halves," said Matt Simpson, a senior market analyst at City Index. The dollar .DXY edged up 0.1%, making bullion less attractive for buyers holding other currencies. Spot silver XAG= rose 0.2% to \$22.57 per ounce, platinum XPT= edged down 0.2% to \$986.68 and palladium XPD= eased 0.1% to \$1,412.70.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Car Registration MM*	GB	21-Mar 12:30	Feb	2.7	
Car Registration YY*	GB	21-Mar 12:30	Feb	14.7	
PSNCR, GBP*	GB	21-Mar 12:30	Feb	-28.962	
PSNB, GBP*	GB	21-Mar 12:30	Feb	-6.242	
PSNB Ex Banks GBP*	GB	21-Mar 12:30	Feb	-5.421	11.400
Construction Output MM*	EU	21-Mar 15:30	Jan	-2.52	
ZEW Survey Expectations*	EU	21-Mar 15:30	Mar	29.7	
Redbook YY *	US	21-Mar 18:25	w/e	2.6	
Existing Home Sales	US	21-Mar 19:30	Feb	4.00	4.20
Exist. Home Sales % Chg	US	21-Mar 19:30	Feb	-0.7	5.0
Reuters Tankan N-Man Idx	JP	22-Mar 04:30	Mar	17	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0695	1.073	1.063	1.0719	0.50%
GBP	1.2204	1.2284	1.2165	1.2276	0.83%
JPY	132.46	132.64	130.52	131.31	-0.36%
TRY	0.0526	0.0527	0.0521	0.0526	0.19%
Dollar Idx	103.864	103.958	103.275	103.281	-0.41%
Brent	73.01	73.87	70.12	73.79	1.12%
WTC	-	-	-	67.56	0.00%
Gold	1986.47	2009.59	1965.4	1978.7122	-0.46%
KWSE Index	7090.99	7104.15	7008.24	7013.14	-0.69%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.44	3M	4.25
SW	3.75	6M	4.44
1M	3.94	1Y	4.69

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30645

0.08%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	26-Jan-'23	3.63	3.13	0.50
1W Repo Rate	26-Jan-'23	3.88	3.38	0.50
1M Repo Rate	26-Jan-'23	4.38	3.88	0.50
KWD ON Rate	26-Jan-'23	10.00	10.00	0.00
Discount Rate	26-Jan-'23	4.00	3.50	0.50

LIBOR RATES

Tenor	Value	Tenor	Value
ON	4.56	3M	5.00
SW	0.00	6M	5.05
1M	4.78	1Y	5.03
2M	0.00		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	01-Feb-'23	4.75	3.50	1.25
ECB Refinancing Rate	16-Mar-'23	3.50	3.00	0.50
BOE Bank Rate	02-Feb-'23	4.00	3.50	0.50
BOJ Prime Rate	10-Mar-'23	1.45	1.50	-0.05
TRY ON Lending Rate	20-Mar-'23	10.00	10.50	-0.50



KEY INTERNATIONAL STORIES

Uncertainty reigns as Fed considers interest rate hike

March 20 (Reuters) - Traders and economists remain split on whether the Federal Reserve will raise its benchmark policy rate, as more actions by the world's major central banks to stem banking strains and the fallout from the takeover of Credit Suisse kept markets on edge. The U.S. central bank will begin its two-day policy meeting as policymakers consider whether still too-hot inflation merits an interest rate hike or whether turmoil in financial markets outstrips those concerns. The Fed's current target range is 4.5%-4.75%. Inflation, while off its highs, is still running at 5.4% by the Fed's preferred measures, far above the 2% target rate.

Britain's financial industry plans blueprint for post-Brexit 'kickstart' - Reuters News

LONDON, March 21 (Reuters) - Top officials from Britain's financial sector said on Tuesday they would set out a blueprint later this year to "kickstart" London's role as a post-Brexit global financial centre by 2030. The sector, which accounts for 12% of UK economic output, was largely cut off from the European Union by Britain's departure from the bloc in 2020. Britain has already proposed the "Edinburgh Reforms" comprising over 30 changes to existing rules, with the EU and U.S. doing likewise in some areas. London remains the world's second most important financial centre after New York.

German economy heading for contraction in Q1, Bundesbank says - Reuters News

FRANKFURT, March 20 (Reuters) - Germany's economy will shrink again in the first quarter of the year and underlying inflation could prove to be stubborn even if overall price growth is likely to slow sharply soon, the Bundesbank said in a monthly report on Monday. Europe's biggest economy contracted by 0.4% in the final quarter of 2022 and its vast industrial sector is just starting to recover while high inflation is weighing heavily on consumption. The European Central Bank has raised interest rates by 350 basis points since July, the fastest pace on record, to tame runaway inflation but price growth could still hold above its 2% target through 2025.

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Australia's central bank was ready to consider rate pause in April-minutes

SYDNEY, March 21 (Reuters) - Australia's central bank was ready to consider the case for a rate pause at its policy meeting in April, even before the recent bout of volatility in the global banking system led markets to price out any chance of a further hike. Minutes of the March 7 policy meeting out on Tuesday showed the Reserve Bank of Australia's (RBA) Board only discussed raising the cash rate by 25 basis points to 3.6%, compared with weighing between 25 bps and 50 bps hikes in February. Traders have priced out any chance of a further hike in the cash rate, and even a slim risk of a cut at the April 4 meeting.

Thai c.bank sees limited impact of global banking sector problems - Reuters News

BANGKOK, March 20 (Reuters) - Thailand's central bank on Monday said it expected only a small impact on the country's financial system and financial markets from the problems at banks in the United States and Europe, and would closely monitor the situation. The Thai banking sector has a low number of transactions involving the troubled banks, and the sector is strong with high levels of capital, reserves and liquidity, the Bank of Thailand (BOT) said in a statement. At the end of 2022, Thailand's banking system had a capital adequacy ratio of 19.4%, a liquidity coverage ratio of 197.3% and a non-performing loan coverage ratio of as 171.9%, the central bank said.

Oil prices stabilize as banking deal eases some worries about crude appetite

March 21 (Reuters) - Oil prices stabilised on Tuesday after falling early in the previous session on investor worries that recent banking-sector problems would weigh on the global economy and limit demand for crude. Brent crude futures for May settlement LCOc1 gained 5 cents and traded at \$73.84 per barrel. U.S. West Texas Intermediate (WTI) crude CLc1 futures rose 9 cents to \$67.73 a barrel. In the previous session, both Brent and WTI fell about \$3 a barrel before settling higher. The April WTI contract expires on Tuesday; May is the most active contract for WTI. OPEC+, which includes the world's top oil exporting countries and allies including Russia, is set for a meeting on April 3.