



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

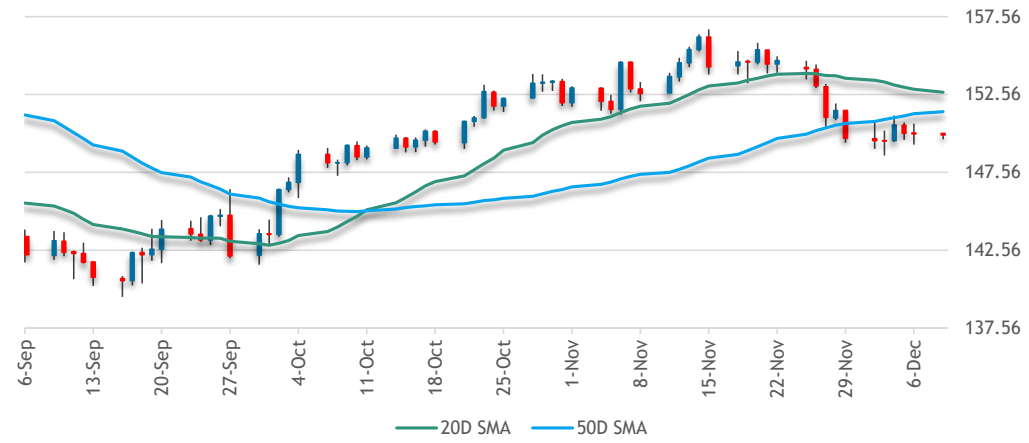
KFH Treasury



Report produced on
Mon, 09/Dec/2024

Forex Market

JAPANESE YEN



CLOSE
150.03

1M %chg
-2.97%

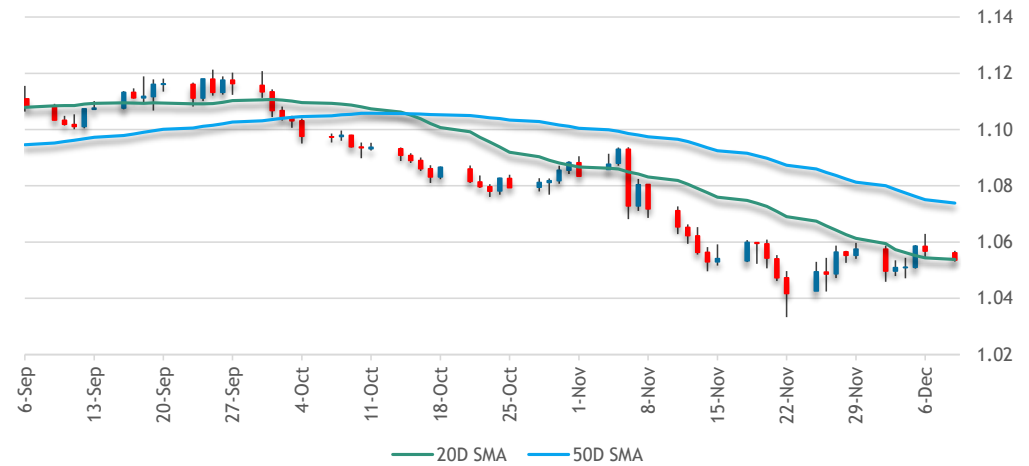
3M %chg
5.45%

USD/JPY-Geopolitical uncertainty, rate bets support JPY

09 Dec 2024 07:17:47 AM

- * USD/JPY subdued in Asia as traders ponder geopolitical developments
- * South Korea martial law fallout, China deflation lift safe-haven JPY
- * Developments in Syria raise Middle East concerns, support yen
- * Dec rate hike expectations underpin JPY as Japan revises Q3 GDP higher
- * Rising Fed December rate cut expectations will limit USD recovery attempts
- * Support 149.40-50, 149.00, 148.65, resistance 150.65-75, 151.20
- * Asia range 149.70-150.10

EURO



CLOSE
1.0568

1M %chg
-1.49%

3M %chg
-4.65%

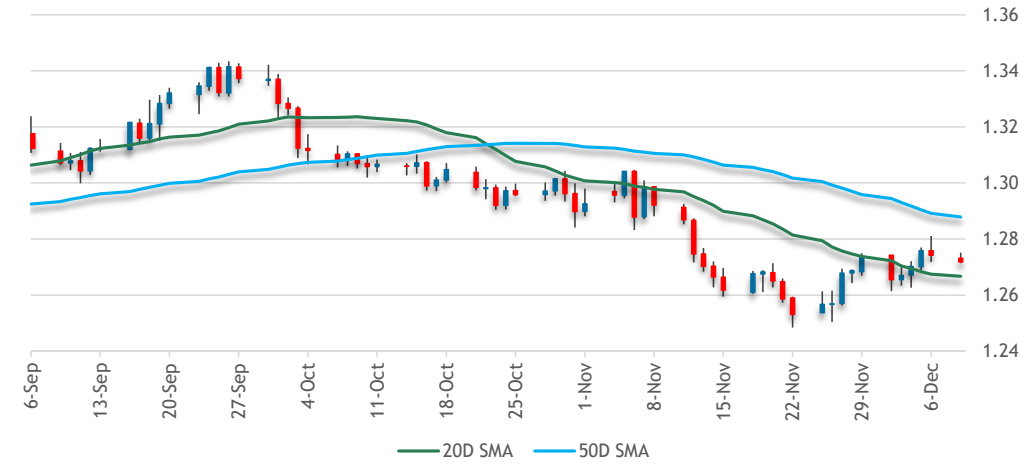
EUR/USD-Soft in Asia - charts flag a potential breakout

09 Dec 2024 07:05:30 AM

- * Off 0.1% in a 1.0551-1.0569 range with the USD 0.1% firmer
- * Trump calls for immediate Ukraine ceasefire, Kyiv and Moscow cite conditions
- * It will be interesting to see if Trump can orchestrate a compromise
- * Charts - daily momentum studies climb as 21-day Bollinger bands contract
- * 5, 10 & 21-DMA's coil, weekly moving averages fall - a neutral setup
- * Daily technical signals converge, which often precedes a breakout
- * 1.0668. 0.382% of the Sep/Nov fall is now pivotal resistance

Forex Market

POUND STERLING



CLOSE
1.2742

1M %chg
-1.06%

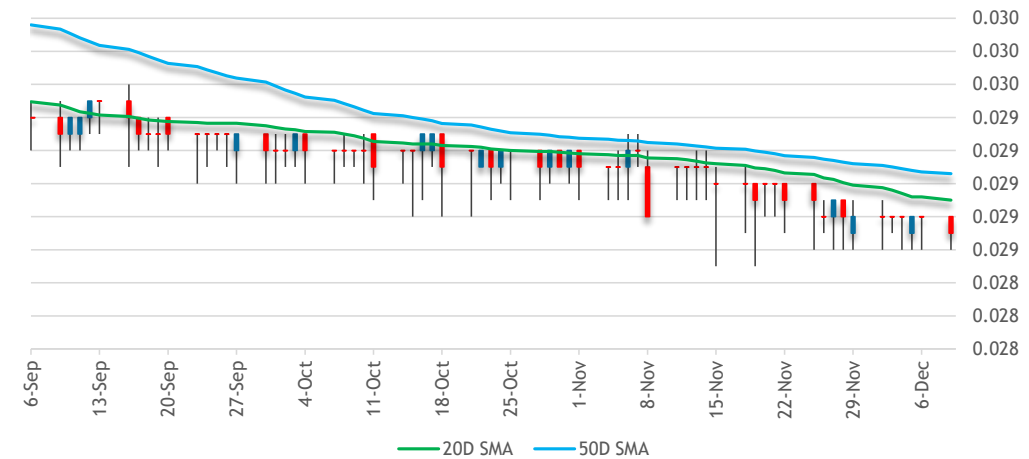
3M %chg
-2.90%

Sterling falters, alternatives to dollar remain scarce

06 Dec 2024 10:06:46 PM

Dec 6 (Reuters) - Sterling enjoyed a brief jump after the U.S. payrolls report showed a rise in the unemployment rate that supported the case for a rate cut at the Fed's final policy meeting of the year, but lack of follow-through gains underpinned the view that alternatives to the dollar are lacking. Add to that the fact that Fed officials appear to be setting the stage for a possible rate pause in Q1 and the environment remains conducive to dollar strength. Consequently, with GBP/USD stalling ahead of resistance at the 200-day moving average at 1.2821, focus is once again the 1.27 handle. UK news flow remains light and with little uncertainty over the Bank of England's policy outlook in the short run as officials stick to the gradual easing script, the dollar side of the equation should continue to drive the action.

TURKISH LIRA



CLOSE
0.0288

1M %chg
-1.37%

3M %chg
-2.04%

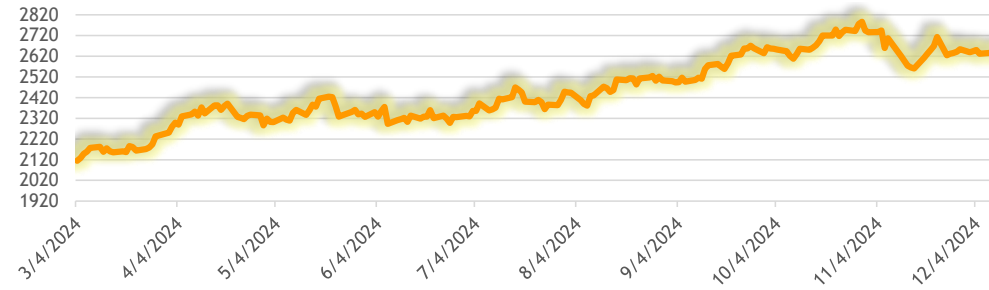
Turkey to log \$1.32 bln current account surplus in October

06 Dec 2024 02:08:40 AM

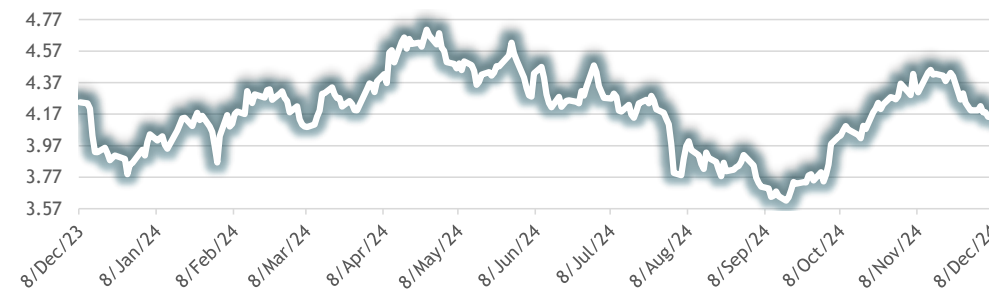
ISTANBUL, Dec 6 (Reuters) - Turkey's current account is expected to record a surplus of \$1.32 billion in October, and the deficit was seen narrowing to \$10.25 billion at end-2024, a Reuters poll showed. The October current account balance forecasts by 11 economists polled ranged from \$900 million to \$1.9 billion surplus. The central bank, pledging to fight inflation, has gradually hiked its policy interest rate to 50% from 8.5% since June last year. The government has introduced tax and fee hikes to boost its budget income. Last year, the current account deficit narrowed to \$45.2 billion from \$48.8 billion in 2022, but exceeded a \$42.5 billion target in the government's medium-term programme.

Gold, US Treasury & Dollar Index

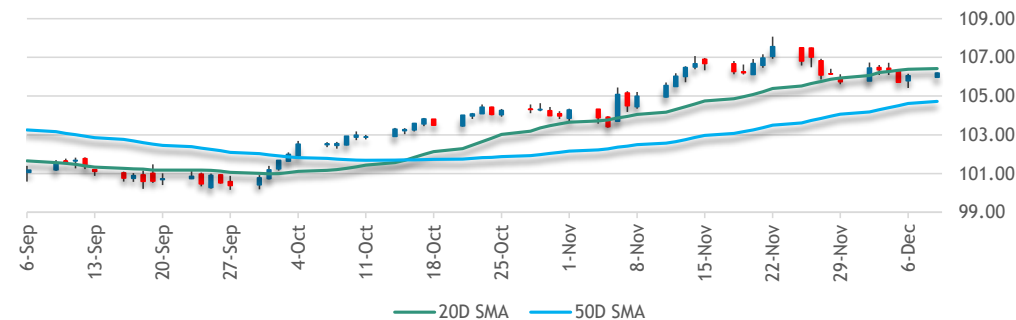
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.15

1M %chg

-6.17%

3M %chg

11.94%

PRECIOUS-Gold firms as investors await US inflation data for Fed clues

09 Dec 2024 07:18:40 AM

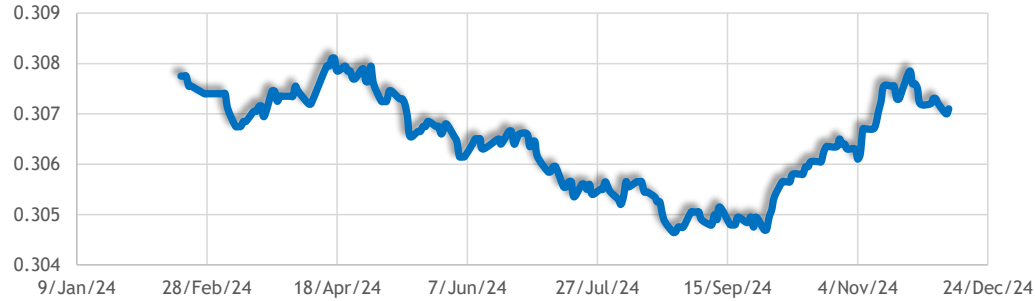
Dec 9 (Reuters) - Gold prices gained on Monday as investors awaited U.S. inflation data due this week for clues on the Federal Reserve's next monetary policy moves. Spot gold was up 0.5% at \$2,644.91 per ounce. Bullion fell nearly 1% last week. U.S. gold futures added 0.3% to \$2,666.80. Gold is supported by headlines that China's central bank is back to purchasing gold in November which could be "good news for gold bulls" in knowing that they have the People's Bank of China (PBOC) behind their back to underpin some strength for bullion prices, IG market strategist Yeap Jun Rong said. Top consumer China resumed buying gold for its reserves in November after a six-month pause. Traders are now looking forward to U.S. inflation data due on Wednesday. According to the CME Group's FedWatch Tool, markets currently see an 83.4% chance of a 25-basis-point rate cut this month. Lower rates decrease the opportunity cost of holding non-yielding bullion. Spot silver gained 0.4% to \$31.08 per ounce, platinum rose 0.5% to \$934.75 and palladium added 0.7% to \$963.00.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Broad Money*	JP	09/Dec 05:20	Nov	2184.5	
GDP QQ External Demand R	JP	09/Dec 05:20	Q3	-0.4	
M2 Money Supply*	JP	09/Dec 05:20	Nov	12537560	
Economy Watchers Poll SA*	JP	09/Dec 10:30	Nov	47.5	
Sentix Index*	EU	09/Dec 15:00	Dec	-12.8	-13.5
Wholesale Sales MM *	US	09/Dec 20:30	Oct	0.3	
Wholesale Invt(y), R MM *	US	09/Dec 20:30	Oct	0.2	0.2
Reuters Tankan N-Man Idx	JP	10/Dec 04:30	Dec	19	
Reuters Tankan Man'f Idx	JP	10/Dec 04:30	Dec	5	
Business Survey Index*	JP	10/Dec 05:20	Q4	4.5	
Corp Goods Price MM	JP	10/Dec 05:20	Nov	0.2	0.2

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0585	1.0629	1.0542	1.0568	-0.17%
GBP	1.2758	1.2811	1.2718	1.2742	-0.13%
JPY	150.09	150.69	149.34	150.03	-0.03%
TRY	0.0288	0.0288	0.0286	0.0288	0.00%
Dollar Idx	105.79	106.159	105.42	106.055	0.32%
Brent	72.12	72.19	70.85	71.12	-1.35%
WTC	68.79	69.41	68.43	68.58	0.00%
Gold	2632.05	2645.49	2613.31	2632.91	0.03%
KWSE Index	7292.52	7294.5	7265.25	7275.7	-0.19%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.13	3M	4.00
SW	3.50	6M	4.19
1M	3.75	1Y	4.38

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30700

0.75%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	19/Sep/'24	3.63	3.88	-0.25
1W Repo Rate	19/Sep/'24	3.88	4.13	-0.25
1M Repo Rate	19/Sep/'24	4.13	4.38	-0.25
KWD ON Rate	19/Sep/'24	10.00	10.00	0.00
Discount Rate	19/Sep/'24	4.00	4.25	-0.25

LIBOR RATES

Tenor	Value	Tenor	Value
ON	--	3M	--
SW	--	6M	--
1M	--	1Y	--
2M	--		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	07/Nov/'24	4.75	4.00	0.75
ECB Refinancing Rate	17/Oct/'24	3.40	3.65	-0.25
BOE Bank Rate	07/Nov/'24	4.75	4.75	0.00
BOJ Prime Rate	08/Nov/'24	1.85	1.75	0.10
TRY ON Lending Rate	21/Mar/'24	53.00	46.50	6.50

KEY INTERNATIONAL STORIES

US job market bounces back from impact of strikes, hurricanes

WASHINGTON, Dec 6 (Reuters) - U.S. job growth surged in November after being severely hindered by hurricanes and strikes, but a rise in the unemployment rate to 4.2% pointed to an easing labor market that should allow the Federal Reserve to cut interest rates again this month. Nonfarm payrolls increased by 227,000 jobs last month after rising by an upwardly revised 36,000 in October, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast payrolls would gain 200,000 jobs following a previously reported rise of 12,000 in October. Capital Economics estimated the total contribution was about 70,000, leaving an underlying increase in payrolls of 157,000.

UK house prices surge in November as market gains steam, Halifax says

LONDON, Dec 6 (Reuters) - British house prices jumped in November by much more than expected, adding to signs of a strengthening property market mortgage lender Halifax said on Friday, but it warned that affordability challenges for buyers remain. House prices rose by 1.3% in monthly terms in November after an upwardly revised 0.4% increase in October to reach a new record of 298,083 pounds (\$380,324) - well above a 0.2% rise predicted by economists in a Reuters poll. It was the biggest increase since June 2022. House prices rose in annual terms by 4.8%, the most in two-years. The Bank of England said last week that lenders in October approved the most mortgages for house purchases since August 2022.

German industrial output unexpectedly falls in October

BERLIN, Dec 6 (Reuters) - German industrial production unexpectedly fell in October, owing mainly to declines in energy production and in the automotive industry, the federal statistics office said on Friday. Production was down by 1.0% in October from the previous month, the office said. Analysts polled by Reuters had predicted a 1.2% rise after a upwardly revised decline of 2.0% in September and an increase of 2.6% in August. The overall decline in production was mainly due to a sharp drop of 8.9% in energy production, while there was a 1.9% fall in automotive output.

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China's inflation weakens as new risks cloud horizon

BEIJING, Dec 9 (Reuters) - China's consumer inflation hit a five-month low in November as fresh food prices pulled back while factory deflation persisted, suggesting Beijing's recent efforts to shore up faltering economic demand are having only limited impact. The consumer price index rose 0.2% last month year-on-year, data from the National Bureau of Statistics showed on Monday, below the 0.3% increase in October and a 0.5% rise forecast in a Reuters poll of economists. CPI fell 0.6% month-on-month, compared with a 0.3% fall in October and a forecast 0.4% decline. In the factory sector, the producer price index fell 2.5% year-on-year in November, a slower decline than the 2.9% in October and the forecast 2.8% fall, but extending declines for 26 months.

Indonesia's president has agreed to selective VAT hike, senior lawmaker says

JAKARTA, Dec 6 (Reuters) - Indonesian President Prabowo Subianto has agreed to raise value-added tax by one percentage point to 12% next year, but only on luxury goods, Sufmi Dasco Ahmad, deputy speaker of parliament, told reporters on Friday. Starting Jan. 1, 2025, VAT will rise to 12% from 11% currently. There has been public pressure to delay the hike as it could hurt purchasing power. The higher VAT rate will only be imposed on luxury goods while other goods will remain at 11%, and some, such as staple items, will still be exempt, the deputy speaker said. Parliament had proposed the items subject to higher VAT would be similar to those already subject to luxury sales tax, which is imposed on certain houses, cars, airplanes, but Dasco said the government was reviewing this.

Oil edges up as rising Mideast tensions offset demand fears

TOKYO, Dec 9 (Reuters) - Oil prices nudged higher on Monday as heightened tensions in the Middle East following the overthrow of Syrian President Bashar al-Assad by rebels offset concerns over weak Chinese demand that was highlighted by Saudi Aramco's price cuts to Asian buyers. Brent crude futures rose 22 cents, or 0.3%, to \$71.34 per barrel. U.S. West Texas Intermediate crude futures gained 22 cents, or 0.3%, to \$67.42 per barrel. Brent lost more than 2.5% last week and WTI fell 1.2% as analysts projected a supply surplus next year on weak demand despite an OPEC+ decision to delay output hikes and extend deep production cuts to the end of 2026.