



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

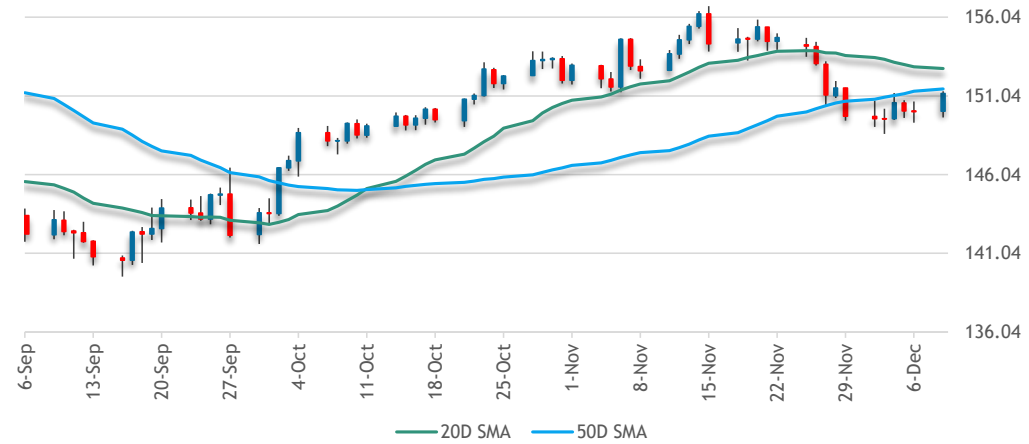
## KFH Treasury



*Report produced on*  
***Tue, 10/Dec/2024***

# Forex Market

## JAPANESE YEN



CLOSE  
**151.19**

1M %chg  
**-0.94%**

3M %chg  
**5.60%**

### USD/JPY-Rally stalls on profit taking after strong rise

10 Dec 2024 07:08:17 AM

- \* USD/JPY unchanged in Asia after rallying to a more than 1-wk high of 151.55
- \* Undermined by profit-taking; 0.8% gain Monday seen as overdone
- \* Downside limited ahead of U.S. CPI Wed, pivotal for Fed rate expectations
- \* Lingering uncertainty on BOJ December rate hike also undermines JPY
- \* Odds of 25 bps Dec hike drop to 30%, was over 60% a week back
- \* Analysis- BOJ is holding cards close to its chest on December rate hike
- \* Resistance 151.95-151.98, Nov 28 high and 200-DMA; support 151.00, 150.50

## EURO



CLOSE  
**1.0552**

1M %chg  
**-1.55%**

3M %chg  
**-4.37%**

### EUR/USD-Charts suggest a breakout - USD likely leads

10 Dec 2024 07:05:49 AM

- \* Steady in a tight 1.0545-1.0561 range with the US Dollar also unchanged
- \* After toppling French gov't, far-right National Rally loses key by-election
- \* Second-tier Eurozone data today and no major speeches - USD likely leads EUR
- \* Charts - mixed daily momentum studies as 21-day Bollinger bands contract
- \* 5, 10 & 21-DMAs 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 remains pivotal resistance
- \* Last week's 1.0461 base and the November 1.0331 low are initial supports

# Forex Market

## POUND STERLING



CLOSE  
**1.2749**

1M %chg  
**-1.33%**

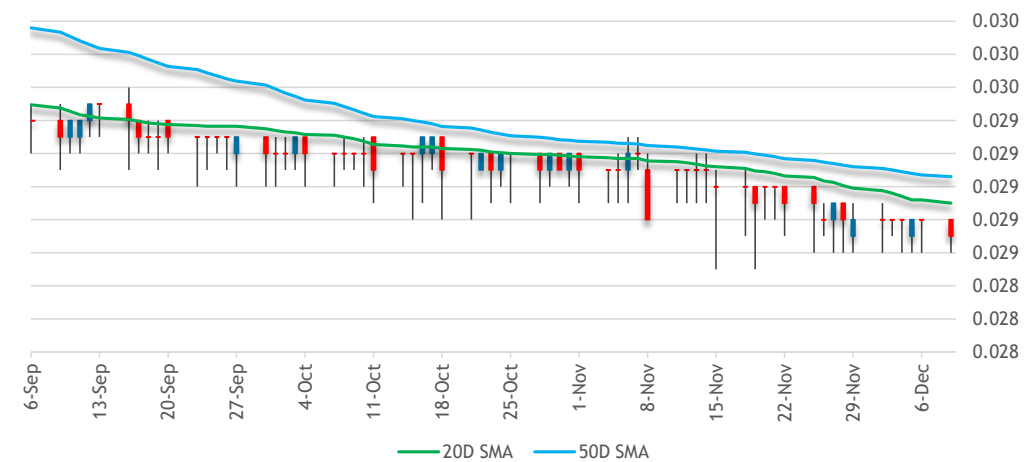
3M %chg  
**-2.47%**

### GBP/USD-Key resistance in view - gov't focus on efficiency

10 Dec 2024 07:02:23 AM

- \* Off 0.05% in a tight 1.2739-1/2753 range with solid flow on FX Matching
- \* Without tier-one UK data or BoE events, the USD, risk appetite lead GBP
- \* UK government departments to focus spending on Starmer's priorities
- \* External experts to scrutinise departmental budgets to eliminate waste
- \* Good government intentions - it will be interesting to see the reality
- \* Techs - neutral daily momentum studies, 21-day Bollinger bands contract
- \* Last week's 1.2619 low, then the 1.2475 November trend low initial supports
- \* Friday's 1.2810 top then 1.2839, 0.382% September/November fall resistance

## TURKISH LIRA



CLOSE  
**0.0287**

1M %chg  
**-0.35%**

3M %chg  
**-2.05%**

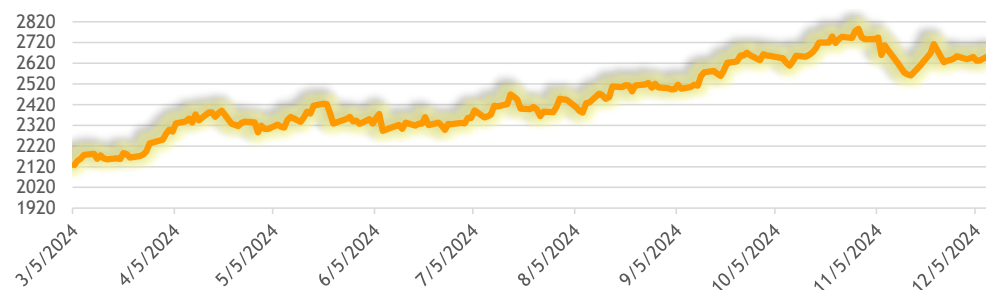
### Turkish cenbank governor says disinflation process continuing

09 Dec 2024 08:44:29 PM

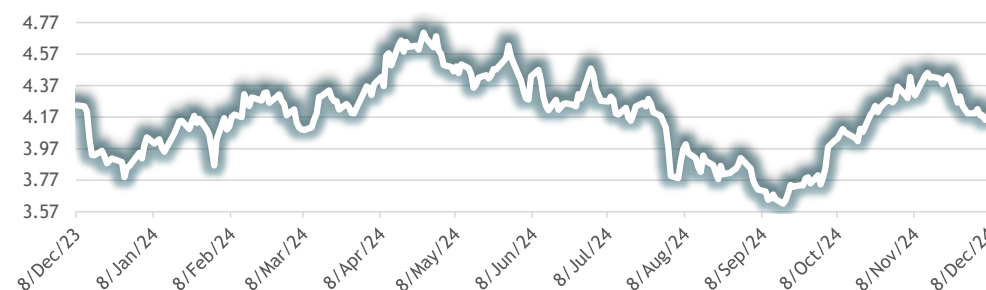
ANKARA, Dec 9 (Reuters) - Turkish Central Bank Governor Fatih Karahan said on Monday that the process of disinflation was continuing and that the bank's tight monetary policy stance had positively impacted reserves. In a presentation to the board of Turkey's Foreign Economic Relations Board (DEIK), Karahan also said the slowdown in the underlying inflation trend was continuing, according to the presentation published by the central bank.

# Gold, US Treasury & Dollar Index

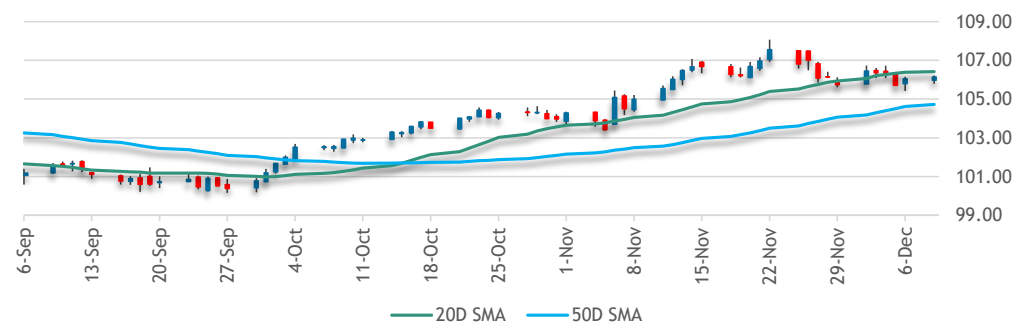
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.20**

1M %chg

**-2.53%**

3M %chg

**13.52%**

### PRECIOUS-Gold extends gain on China's vow for policy stimulus

10 Dec 2024 07:24:22 AM

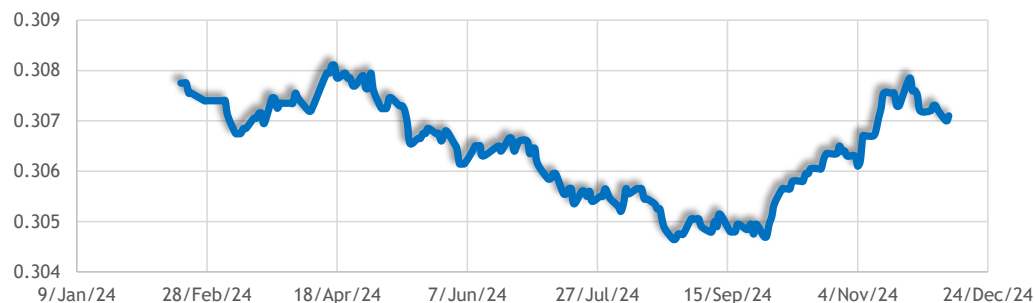
Dec 10 (Reuters) - Gold prices extended gains on Tuesday, buoyed by top consumer China's pledge to ramp up policy stimulus to help spur economic growth, with investors awaiting U.S. inflation data for further insights into the Federal Reserve's interest rate outlook. Spot gold had gained 0.4% to \$2,669.84 per ounce. U.S. gold futures rose 0.3% at \$2,692.50. Gold hit a two-week high on Monday, supported by China's central bank resuming purchases after a six-month hiatus. Traders are now focused on U.S. inflation data for November after last week's stronger-than-expected payrolls report boosted the chances of a Fed rate cut next week. The odds of a quarter-point rate cut on Dec. 18 are currently at 85.8%, according to the CME Fedwatch tool. Gold, which pays no interest, tends to benefit from lower interest rates as this reduces the opportunity cost of holding bullion. Elsewhere, the United States and Britain have announced a new wave of sanctions targeting illicit gold trade. Spot silver added 0.6% to \$31.98 per ounce, platinum steadied at \$940.15 and palladium was up 0.3% to \$976.25.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
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
Corp Goods Price YY	JP	10/Dec 05:20	Nov	3.4	3.4
Unit Labor Costs Revised*	US	10/Dec 19:00	Q3	1.9	1.5
Productivity Revised*	US	10/Dec 19:00	Q3	2.2	2.2
Redbook YY *	US	10/Dec 19:25	w/e	7.4	
Federal Budget,\$	US	11/Dec 00:30	Nov	-257.00	-353.00
Foreign Bond Investment	JP	11/Dec 05:20	w/e	922.4	
Foreign Invest JP Bonds*	JP	11/Dec 05:20	w/e	176.1	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0562	1.0594	1.0531	1.0552	-0.15%
GBP	1.2731	1.2798	1.2714	1.2749	0.05%
JPY	150.06	151.34	149.67	151.19	0.77%
TRY	0.0288	0.0288	0.0286	0.0287	-0.35%
Dollar Idx	105.97	106.214	105.798	106.145	0.08%
Brent	70.92	72.65	70.92	72.14	1.43%
WTC	68.39	69.13	68.3	68.65	0.10%
Gold	2634.4	2676.25	2627.32	2658.78	0.98%
KWSE Index	7291.23	7317.42	7280.59	7313.76	0.52%

## 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

**0.30710**

**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	10/Dec/'24	1.90	1.90	0.00
TRY ON Lending Rate	21/Mar/'24	53.00	46.50	6.50

## KEY INTERNATIONAL STORIES

### US wholesale inventories rebound marginally in October

WASHINGTON, Dec 9 (Reuters) - U.S. wholesale inventories rebounded moderately in October amid a small rise in stocks of long-lasting manufactured goods. The Commerce Department's Census Bureau said on Monday that wholesale inventories increased 0.2% as estimated last month. Stocks at wholesalers fell 0.2% in September. Economists polled by Reuters had expected that the gain in inventories, a key part of gross domestic product, would be unrevised at 0.2%. Inventories rose 0.9% on a year-on-year basis in October. Stocks of nondurable goods increased 0.3%, with strong rises in inventories of groceries and medication. Sales at wholesalers dipped 0.1% in October after rising 0.5% in September.

### Britain tells departments to focus spending on Starmer's priorities

LONDON, Dec 9 (Reuters) - Britain's finance ministry said it would ask government departments to cut waste, including spending that does not align with policy priorities, as Prime Minister Keir Starmer seeks to overhaul how the public sector works. The Treasury said in a statement that every pound the government spends would be subjected to a line-by-line review to ensure it was being spent on delivering the agenda that Starmer set out last week, and giving value for money. The last time government departments were asked to undertake a so-called 'zero-based review' of public spending was 17 years ago, it said. Departmental budgets will be scrutinised by panels of external experts and letters had been sent to each department.

### Euro zone investor morale falls in December to lowest in more than a year

FRANKFURT, Dec 9 (Reuters) - Investor morale in the euro zone fell in December to its lowest in more than a year, a survey showed on Monday, with Germany remaining a drag on the bloc as snap elections in February have failed to inspire confidence. The Sentix index for the euro zone fell to -17.5 in December from -12.8 in November, the lowest level since November 2023 and a bigger decline than the -13.5 forecast by analysts polled by Reuters. The survey of 1,148 investors from Dec. 5 to Dec. 7 showed expectations also falling to -5.8 in December, down from -3.8 points last month. Investor morale in Germany also fell to -33.2 in December.

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### China's export growth slows, imports shrink ahead of Trump tariffs

BEIJING, Dec 10 (Reuters) - China's exports grew at a slower pace in November than the bumper month before, while imports unexpectedly shrank, in a worrying sign for the world's No. 2 economy as Donald Trump's imminent return to the White House brings fresh trade risks. The president elect previously said he would introduce tariffs in excess of 60% on Chinese goods. Outbound shipments from the world's second-largest economy grew 6.7% year-on-year last month, customs data showed on Tuesday, missing an 8.5% increase in a Reuters poll of economists and a 12.7% rise in October. Imports shrank 3.9%, compared with expectations for a 0.3% increase and a 2.3% fall in October. China's trade surplus grew to \$97.44 billion last month, up from \$95.72 billion in October.

### Brazil breaks annual coffee export record after November bump

SAO PAULO, Dec 9 (Reuters) - Brazil, the world's largest coffee producer, broke its annual record of green coffee exports in November, even with December's exports still underway, local industry group Cecafe said on Monday. In the year through November, Brazil exported 42.7 million 60-kilogram bags of green coffee, already surpassing the previous annual record from 2020, when the country shipped 40.6 million bags during the full year, Cecafe data showed. Brazil's record was set after exports rose 2.7% in November from a year earlier to 4.29 million 60-kg bags, Cecafe said. Both the government and Cecafe could adjust their numbers in the future. Brazil's exports of arabica coffee increased some 9% in November year-on-year to 3.58 million bags in the month.

### Oil prices ease, but geopolitical risk and China policy stance check losses

TOKYO, Dec 10 (Reuters) - Oil prices eased only slightly on Tuesday, holding on to most of their gains from the prior session as mounting geopolitical risk after the fall of Syrian President Bashar al-Assad and China's vow to ramp up policy stimulus kept a floor under prices. Brent crude futures were down 13 cents, or about 0.2%, at \$72.01 per barrel. U.S. West Texas Intermediate crude futures were down 14 cents, also 0.2% lower, at \$68.23. Both climbed more than 1% on Monday. Also in the U.S., oilfield service companies ramped up hiring in November, adding 1,890 jobs in the sector, according to data from trade group Energy Workforce & Technology Council.