



# Market Commentary KFH Treasury

Report produced on  
22-Apr-2025



# Forex Market

## JAPANESE YEN



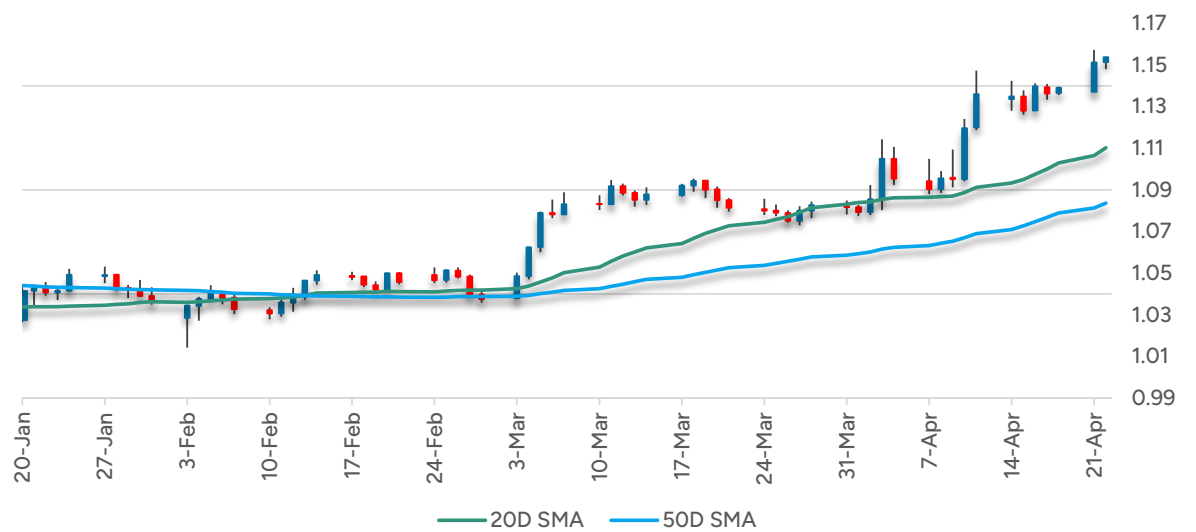
CLOSE **140.85** 1M %chg **-5.67%** 3M %chg **-9.42%**

### USD/JPY on back-foot again, 140 test looms, crosses steady

22 Apr 2025 07:38:05 AM

- \* USD/JPY on the back foot again in Asia after an early pop to 141.17 EBS
- \* Pop on back of Japanese importer buys, some profit-taking by shorts
- \* Move above 141.00 roundly rejected however, off since to 140.20
- \* Series of daily lows, some harking back to September '24 pierced
- \* Next support 140.00, option barriers tipped at strike, large stops below too
- \* De-dollarization continuing apace on concerns over Fed Powell fate, tariffs
- \* Fibo retracements of 102.59-161.96 move between January '21-July '24 eyed
- \* Fibo 38.2 retracement at 139.28, 50% at 132.27, Fibo 61.8% at 125.26
- \* JPY crosses mostly steady amidst broad USD weakness

## EURO



CLOSE **1.1513** 1M %chg **6.46%** 3M %chg **10.39%**

### EUR/USD-Putin peace talks, Trump/Fed conflict underpin

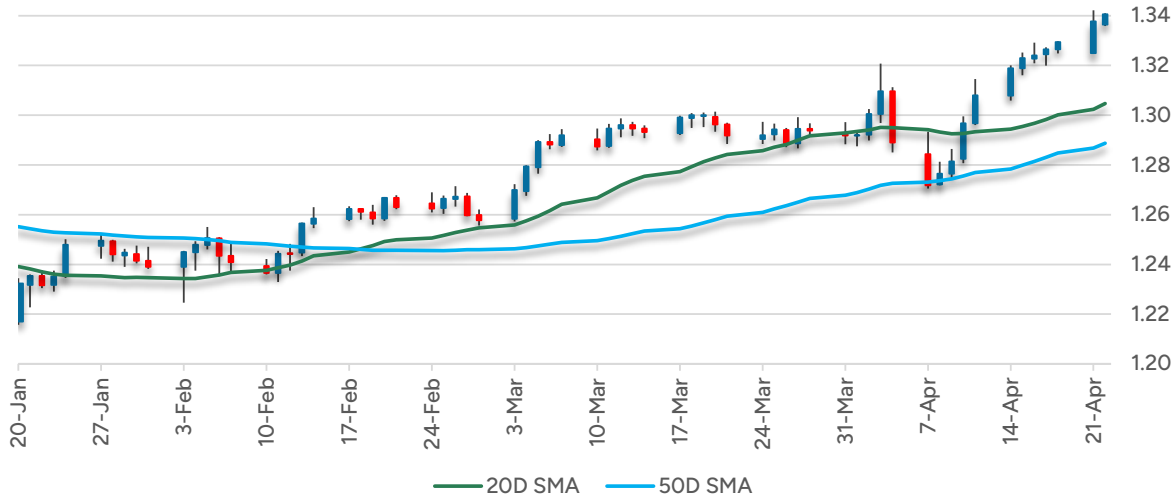
22 Apr 2025 08:06:37 AM

- \* Trades up 0.2%, near the top of a 1.1482-1.1540 range
- \* Euro was offered early on profit taking, then found solid support in Asia
- \* Trump pressured the Fed to cut rates quickly - adds to EUR safe-haven status
- \* Charts - 21-day Bollinger bands climb, 5, 10 & 21-day moving averages rise
- \* Higher daily momentum studies - signals retain a positive trending setup
- \* Yesterday's 1.1572 top - 1.1692 October 2021 high are the first resistance
- \* Monday's 1.1393 low and then last week's 1.1264 base are initial supports
- \* A close below the rising 1.1334 10-DMA would flag caution for bulls

# Forex Market



## POUND STERLING



CLOSE

**1.3377**

1M %chg

**3.55%**

3M %chg

**8.28%**

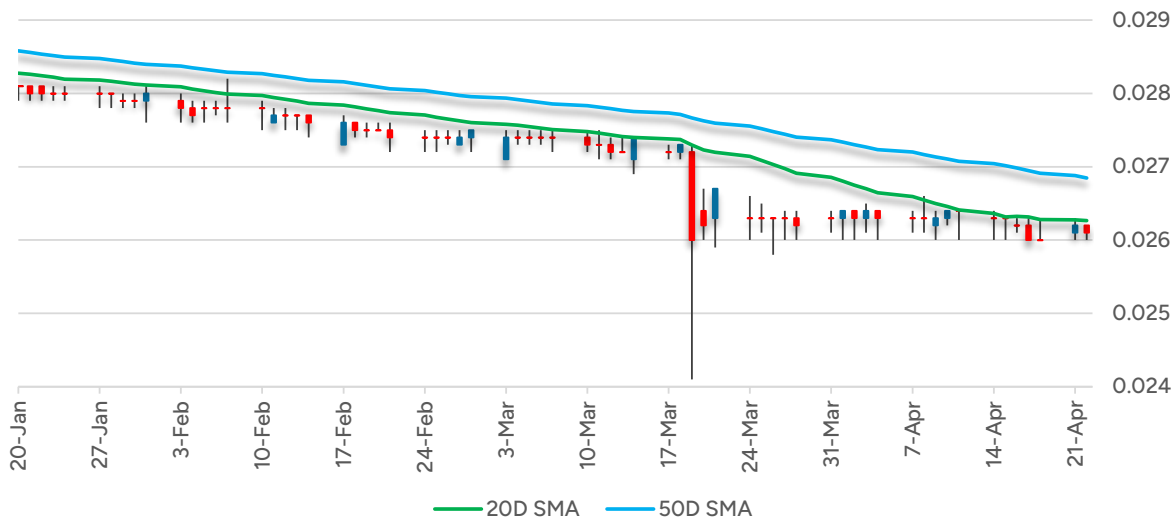
### GBP/USD- Benefits as Trump's Fed comments undermine the USD

22 Apr 2025 08:02:49 AM

- \* +0.15% at the top of a 1.3362-1.3404 range with the USD off 0.2%
- \* The USD firmed early on bargain hunting, then fell with the downtrend
- \* Trump comments put pressure on the Fed to cut rates quickly - USD slid
- \* UK universities may benefit as Chinese students shun the American dream
- \* There is no major UK data or BOE events - USD and risk appetite lead GBP
- \* Charts - 5, 10, & 21-day moving averages rise, as 21-day Bollinger bands expand
- \* Daily momentum studies climb - positive signals suggest further gains
- \* Thursday's 1.3203 low and then last week's 1.3068 base are initial supports
- \* The 2024 1.3434 high is the next significant resistance, and is in view



## TURKISH LIRA



CLOSE

**0.0262**

1M %chg

**-1.87%**

3M %chg

**-6.43%**

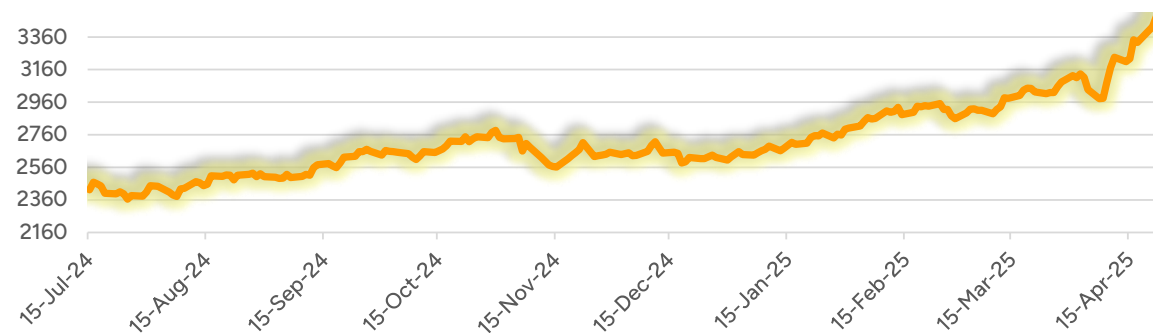
### Turkey's Simsek sees very high probability of inflation in cenbank range

21 Apr 2025 09:59:00 AM

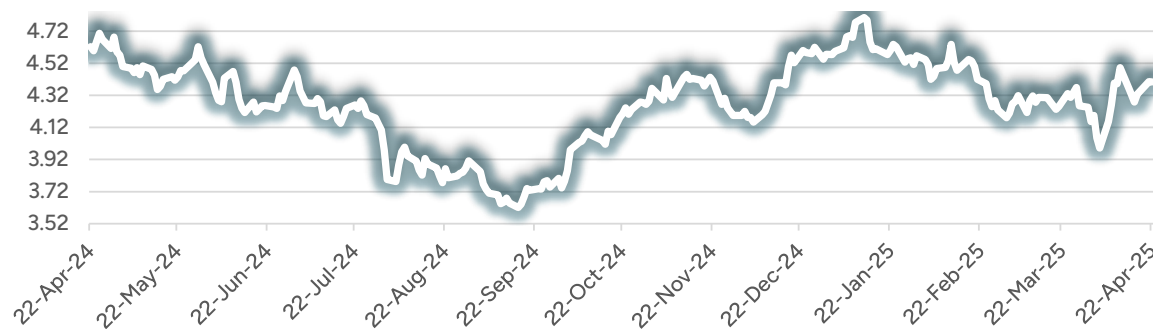
GİRESUN, Turkey, April 21 (Reuters) - Turkish Finance Minister Mehmet Simsek said he does not foresee Turkey changing its economic course following recent market and trade developments, and inflation would very likely hit the central bank's forecast range by year-end. Turkish annual consumer price inflation slowed to 38.1% in March, extending its fall from a peak of around 75% last May. The central bank's year-end inflation mid-point estimate currently stands at 24%, in a forecast range of 19% to 29%. He said the net effect in terms of the current account balance may be positive. While there is a risk that protectionism in the form of trade wars may negatively affect global growth, the tightening of domestic financial conditions would limit imports.

# Gold, US Treasury & Dollar Index

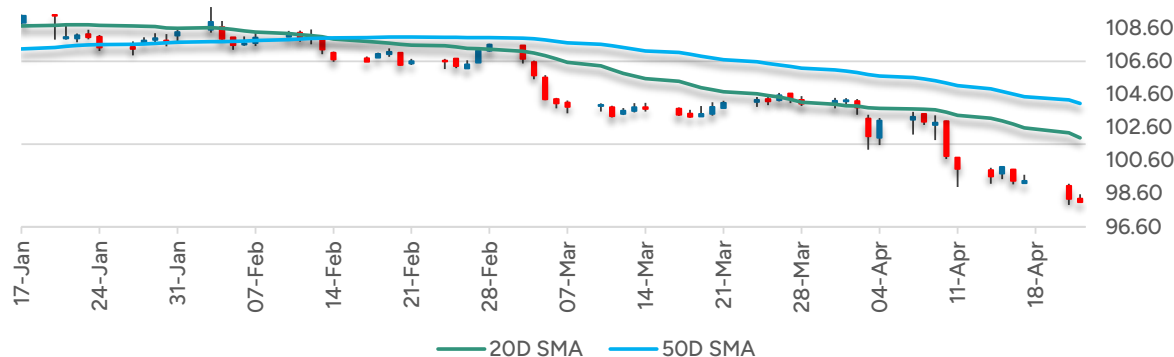
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.40**

1M %chg

**3.60%**

3M %chg

**-3.69%**

### PRECIOUS-Gold maintains record rally following Trump's criticism of Fed chief

22 Apr 2025 08:05:23 AM

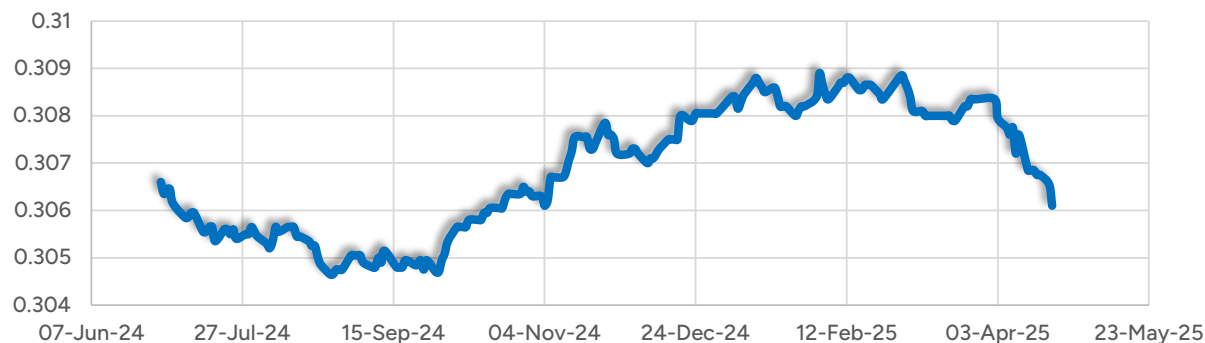
April 22 (Reuters) - Gold prices continued their record rally on Tuesday, driven by concerns over U.S. President Donald Trump's criticism of Federal Reserve Chair Jerome Powell, which dampened risk sentiment and drove investors towards the safe-haven bullion. Spot gold XAU= was up 1.4% at \$3,472.49 an ounce, after touching a record high of \$3,473.03 per ounce earlier in the session. U.S. gold futures GCcv1 firmed 1.7% to \$3,482.40. Gold, viewed as a safe-haven against economic uncertainties, surpassed the \$3,300 mark last Wednesday and continued its upward trajectory, crossing \$3,400 on Monday. Markets are eagerly anticipating speeches from several Fed officials later this week, hoping for insights into future monetary policy amid concerns about central bank's independence. Spot silver XAG= fell 0.4% to \$32.57 an ounce, platinum XPT= gained 0.3% to \$964.78, while palladium XPD= rose 1.3% to \$939.50.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Redbook YY *	US	22-Apr 18:25	w/e	6.6	
Consumer Confid. Flash *	EU	22-Apr 19:30	Apr	-14.5	-15.6
Rich Fed Mfg Shipments	US	22-Apr 19:30	Apr	-7	
Rich Fed Comp. Index	US	22-Apr 19:30	Apr	-4	
Rich Fed, Services Index	US	22-Apr 19:30	Apr	-4	
Foreign Bond Investment	JP	23-Apr 05:20	w/e	-512.0	
Foreign Invest JP Bonds*	JP	23-Apr 05:20	w/e	2298.8	
Foreign Stock Investment*	JP	23-Apr 05:20	w/e	258.1	
Service PPI*	JP	23-Apr 05:20	Mar	3.00	
Foreign Invest JP Stock	JP	23-Apr 05:20	w/e	1043.7	
JibunBK SVC PMI Flash SA	JP	23-Apr 06:00	Apr	50.0	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1371	1.1573	1.1377	1.1513	1.07%
GBP	1.325	1.3422	1.3266	1.3377	0.62%
JPY	142.09	142.18	140.46	140.85	-0.93%
TRY	0.0261	0.0263	0.026	0.0262	0.77%
Dollar Idx	99.078	99.208	97.921	98.278	-1.10%
Brent	67.51	67.72	65.67	66.26	-2.50%
WTC	63.47	63.68	62.85	63.48	-2.44%
Gold	3334.11	3430.46	3327.56	3424.3025	2.91%
KWSE Index	7881.66	7900.58	7859.05	7873.77	-0.09%

## 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

**0.30610**

3M% CHG

**-0.68%**

## POLICY RATES INDICATOR

As of	Value	Prior	Change
ON Repo Rate	3.63	3.88	-0.25
1W Repo Rate	3.88	4.13	-0.25
1M Repo Rate	4.13	4.38	-0.25
KWD ON Rate	10.00	10.00	0.00
Discount Rate	4.00	4.25	-0.25

## SOFR RATES

Tenor	Value	Tenor	Value
1M	4.32	6M	4.13
3M	4.27	1Y	3.86

## OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	18-Dec-'24	4.50	3.75	0.75
ECB Refinancing Rate	17-Apr-'25	2.40	2.65	-0.25
BOE Bank Rate	20-Mar-'25	4.50	4.50	0.00
BOJ Prime Rate	10-Apr-'25	2.05	2.35	-0.30
TRY ON Lending Rate	17-Apr-'25	49.00	46.00	3.00

## KEY INTERNATIONAL STORIES

### US leading indicator declines sharply in March amid tariffs

WASHINGTON, April 21 (Reuters) - A gauge of future U.S. economic activity fell sharply in March, potentially flagging tepid growth this year amid tariffs. The Conference Board said on Monday its Leading Economic Index dropped 0.7% last month after decreasing 0.2% in February. Economists polled by Reuters had forecast the index sliding 0.5%. It fell 1.2% in the six-month period ending in March after contracting 2.3% in the prior six months. "That said, the data does not suggest that a recession has begun or is about to start," said Zabinska-La Monica.

### UK PM Starmer discussed trade with Trump, Downing Street says

April 18 (Reuters) - British Prime Minister Keir Starmer spoke with U.S. President Donald Trump, discussing trade between the two nations among other subjects including the situation in Ukraine and Iran, a Downing Street spokesperson said. Britain is hoping to strike a deal with Trump after he imposed 10% tariffs on most imports of British goods to the United States and a higher 25% rate on imports of cars, steel and aluminium. Starmer and Trump also addressed the situations in Ukraine and Iran, and recent actions against the Houthis in Yemen, the spokesperson from the prime minister's office said.

### Russian central bank expected to keep key rate on hold at 21%

MOSCOW, April 21 (Reuters) - The Russian central bank will keep its benchmark rate on hold at 21% at a board meeting on April 25, all 25 analysts who took part in a poll predicted, as global economic turbulence adds to concerns about the state of the Russian economy. The government maintained its growth estimate for 2025 at 2.5%, a new set of forecasts showed. The government said it does not see a big risk of a global recession, but cut its estimate for the price of oil, Russia's main export, by 17%. The central bank hiked its key rate to the highest level since early 2000s last October as it struggles to fight inflation.

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### BOJ likely to keep rate-hike signal intact despite Trump tariff risks, sources say

TOKYO, April 21 (Reuters) - The Bank of Japan is expected to signal next week that risks from higher U.S. tariffs will not derail a cycle of rising wages and inflation seen as crucial to keep raising interest rates, said four sources familiar with its thinking. The assessment, to be included in its quarterly outlook report due on May 1, will underscore the BOJ's desire to keep alive market expectations of further interest rate hikes - even though the timing of its next move could be months away. But the BOJ will roughly maintain its view that a tight job market will prod firms to keep raising wages, the sources said.

### Thai exports posting higher growth in March, commerce minister says

BANGKOK, April 21 (Reuters) - Thailand's export growth in March was higher than February's 14% annual rise, while tariff negotiations with the United States set for this week are expected to proceed positively, the commerce minister said on Monday. The tariff of 36% placed on imports from Southeast Asia's second-largest economy is among the higher rates imposed by U.S. President Donald Trump's administration. The United States was Thailand's largest export market last year, accounting for 18.3% of total shipments, or \$54.96 billion. Washington has put its deficit with Thailand at \$45.6 billion.

### Oil prices climb on short-covering, but tariff concerns linger

TOKYO, April 22 (Reuters) - Oil prices climbed in early trade on Tuesday as investors took advantage of the previous day's losses to cover short positions, although concerns persisted over economic headwinds from tariffs and U.S. monetary policy that could dampen fuel demand. Brent crude futures LCOc1 rose 51 cents, or 0.8%, to \$66.77 a barrel, while U.S. West Texas Intermediate crude CLc1 was at \$63.59 a barrel, up 51 cents, 0.8%. Both benchmarks dropped more than 2% on Monday on signs of progress in nuclear deal talks between the U.S. and Iran, helping ease supply concerns.