

Market Commentary

KFH Treasury

Report produced on
12-May-2025



Forex Market

JAPANESE YEN



CLOSE
145.34

1M %chg
-1.61%

3M %chg
-4.00%

USD/JPY, JPY crosses hold relatively bid in Asia trading

12 May 2025 07:36:54 AM

- * USD/JPY in holding pattern, Asia range 145.60-146.31, tad volatile early
- * Market heavy again above 146.00+, Japanese exporter sales from high
- * Tech support from 145.34 hourly Ichimoku tenkan, cloud 144.53-145.33 below
- * Option-related sales likely on almost \$3 bln+ in expiries up to 147.25
- * Massive option expiries today on 145 too - at 145.00 between 145.55-65
- * 145 expiries likely supportive, to help keep USD/JPY in higher range
- * Market awaiting fresh, more definitive news on US tariffs
- * EUR/JPY 163.75-164.18 EBS, move up rejected, below 164.57 spike high May 2

EURO



CLOSE
1.1247

1M %chg
2.70%

3M %chg
8.91%

EUR/USD Eases on USD strength amid positive geo-political news

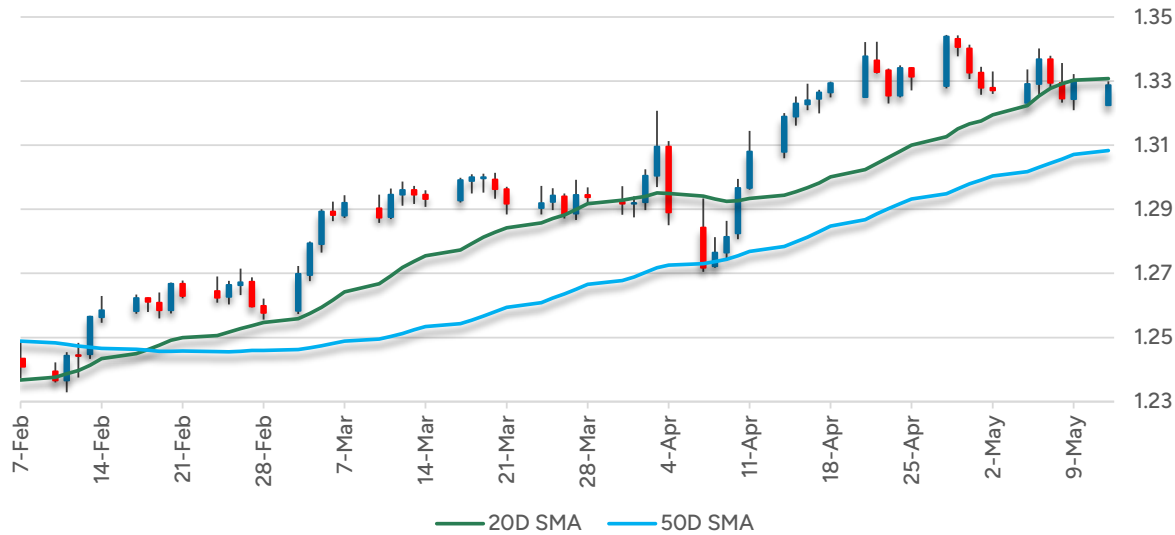
12 May 2025 03:45:49 AM

- * -0.15% with the USD +0.25%, after closing +0.15% with the USD -0.25% Friday
- * US, China hail 'constructive' trade talks, details due Monday - risk 'on'
- * Ukraine and Russia remain worlds apart on expectations, but it is a start
- * Positive Geopolitical news should support risk appetite in Asia
- * Charts- 21-day Bolli bands expand, 5, 10 & 21-day moving averages slip
- * Daily momentum studies ease - last week's dip leaves a modest bearish setup
- * 1.1152 0.500% March/April rise, then 1.1053 0.618% are the first supports
- * Last week's 1.1380 high, then the 1.1572 2025 high, are the first resistance

Forex Market



POUND STERLING



CLOSE

1.3304

1M %chg

3.82%

3M %chg

7.21%

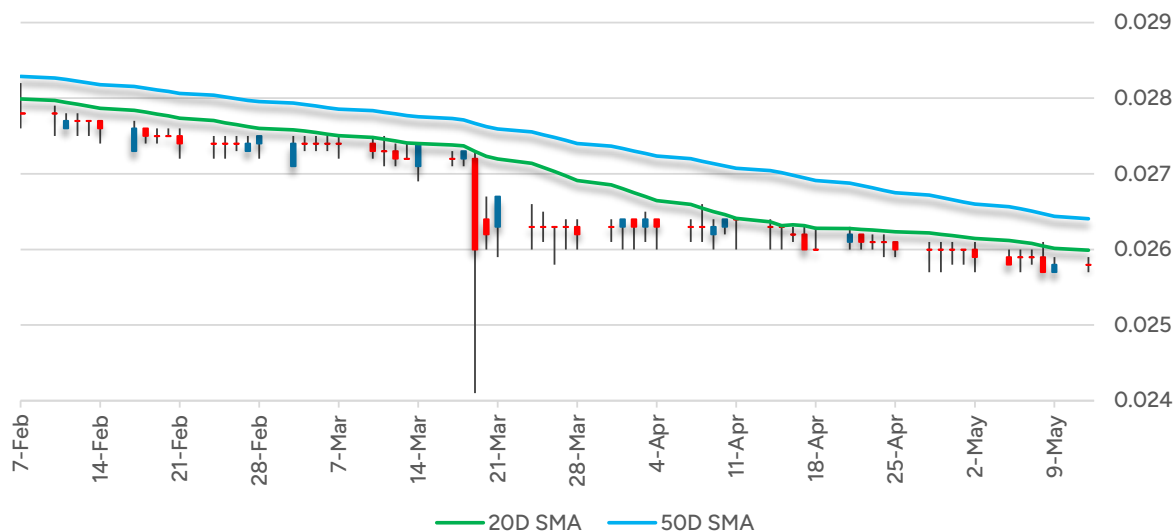
COMMENT-Sterling mounts comeback as post-trade-deal dollar euphoria ebbs

09 May 2025 06:43:22 AM

Sterling bulls remain hesitant to retreat despite slipping below 10- and 21-DMA support at 1.3322 and 1.3294, following the much-anticipated UK-U.S. trade deal, and a close back above the 21-DMA could revive momentum toward the 2025 highs above 1.34. With the deal now behind them, sterling traders are refocusing on economic fundamentals, which should help keep the pound supported near trend highs. The removal of trade uncertainty has lifted risk-on sentiment, and while some dollar relief buying followed its 10-big-figure decline, and GBP/USD's rally from mid-November lows near 1.21 to 1.3297, central bank guidance suggests a steadier outlook driven by uncertain rate and inflation expectations. This shift may be reflected in the 32% rise in gold and 57% jump in bitcoin since mid-November, alongside a steepening U.S. Treasury 2-10 spread, which rose from 1.24bp to 52.5bp.



TURKISH LIRA



CLOSE

0.0258

1M %chg

-1.90%

3M %chg

-7.19%

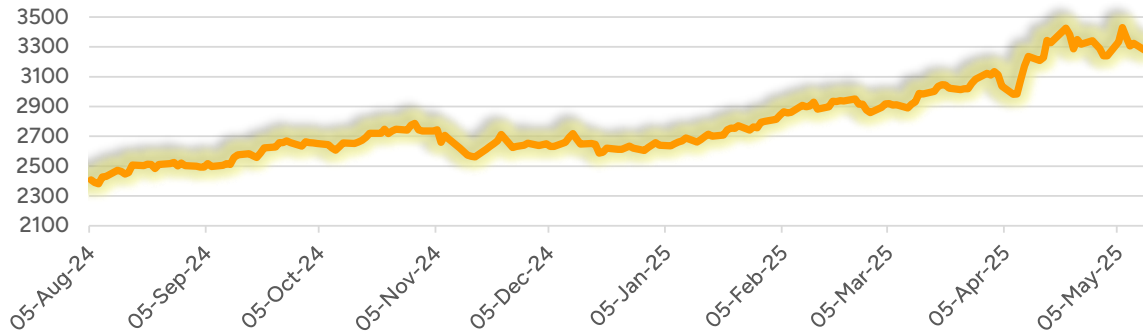
Turkish industrial output rises 3.4% month-on-month in March

09 May 2025 11:07:51 AM

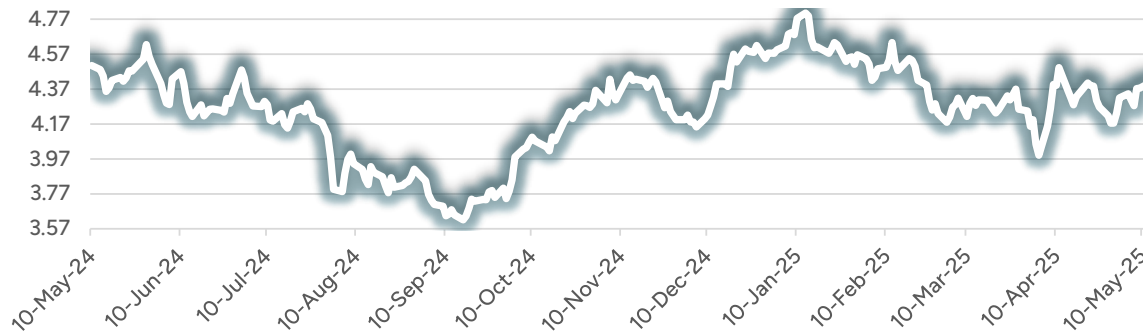
ISTANBUL, May 9 (Reuters) - Turkey's industrial production rose 3.4% month-on-month in March on a seasonally and calendar-adjusted basis, official data showed on Friday, with the manufacturing index rising 2%. Industrial output climbed 2.5% year-on-year in March, according to the Turkish Statistical Institute.

Gold, US Treasury & Dollar Index

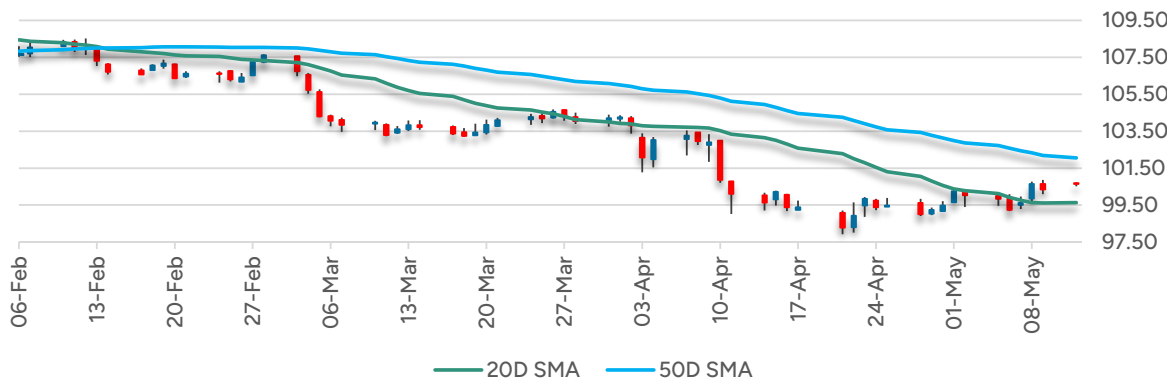
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.40

1M %chg

-0.48%

3M %chg

-2.50%

PRECIOUS-Gold falls as positive US-China talks hamper safe-haven appeal

12 May 2025 08:44:59 AM

May 12 (Reuters) - Gold slipped on Monday as positive U.S.-China trade talks alleviated market fears, leading investors to shift from safe-haven assets towards riskier investments. Spot gold fell 1.4% to \$3,277.34 an ounce. U.S. gold futures lost 1.9% to \$3,281.70. "The dollar index has advanced as the Trump administration touted progress in trade negotiations, with China following negotiations over the weekend in Switzerland which weighed on gold prices," said Jigar Trivedi, senior commodity analyst at Reliance Securities. Traders are also eyeing release of U.S. Consumer Price Index on Tuesday for fresh signals on the Fed's monetary policy trajectory. "In the near term, gold possibly continue to decline as the dollar could appreciate and amid reducing geopolitical risk the haven demand too may drop hence, the yellow metal may decline to \$3,200/oz in the near term," Trivedi added. Spot silver gained 0.4% to \$32.84 an ounce, platinum rose 0.7% to \$1,001.90 and palladium firmed 0.6% to \$981.20.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
BRC Retail Sales YY	GB	12/May 04:31	Apr	0.9	
Broad Money*	JP	12/May 05:20	Apr	2202.2	
M2 Money Supply*	JP	12/May 05:20	Apr	12607400	
Economy Watchers Poll SA*	JP	12/May 10:30	Apr	45.1	
Federal Budget,\$	US	12/May 23:30	Apr	-161.00	
Corp Goods Price MM	JP	13/May 05:20	Apr	0.4	0.2
Corp Goods Price YY	JP	13/May 05:20	Apr	4.2	4.0
Avg Wk Earnings 3M YY*	GB	13/May 11:30	Mar	5.6	5.2
Avg Earnings (Ex-Bonus)*	GB	13/May 11:30	Mar	5.9	5.7
Claimant Count Unem Chng	GB	13/May 11:30	Apr	18.7	
Employment Change*	GB	13/May 11:30	Mar	206	120

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1227	1.1292	1.1195	1.1247	0.18%
GBP	1.3244	1.3322	1.3209	1.3304	0.44%
JPY	145.91	146.18	144.8	145.34	-0.39%
TRY	0.0257	0.0259	0.0257	0.0258	0.39%
Dollar Idx	100.642	100.862	100.086	100.339	-0.30%
Brent	63.07	64.27	62.84	63.91	1.70%
WTC	62.58	62.62	61.57	62.37	1.83%
Gold	3305.2419	3347.25	3274.38	3324.2231	0.57%
KWSE Index	8030.75	8079.36	8030.75	8055.92	0.56%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.19	3M	4.00
SW	3.50	6M	4.19
1M	3.75	1Y	4.38

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30685

3M% CHG

-0.71%

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

SOFR RATES

Tenor	Value	Tenor	Value
1M	4.33	6M	4.18
3M	4.30	1Y	3.90

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	08/May/'25	4.25	4.25	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 wholesale inventories revised slightly lower in March

WASHINGTON, May 8 (Reuters) - U.S. wholesale inventories increased slightly less than initially estimated in March amid decreases in the stocks of electrical, lumber, apparel and farm products. Stocks at wholesalers rose 0.4%, revised down from the 0.5% gain estimated last month, the Commerce Department's Census Bureau said on Thursday. Economists polled by Reuters had expected the rise in inventories would be unrevised. Inventories, a key part of gross domestic product, advanced 0.5% in February. They rose 2.2% on a year-on-year basis in March.

Bank of England's Bailey says global environment likely to stay challenging

LONDON, May 9 (Reuters) - Global economic conditions are likely to continue to be more challenging and less predictable than in previous decades, increasing difficulties for central bank forecasters, Bank of England Governor Andrew Bailey said on Friday. The BoE cut its main interest rate on Thursday to 4.25% from 4.5%. Bailey said that the choice of new scenarios for the economy published alongside the BoE's central forecast on Thursday should not be interpreted as a signal on the path for monetary policy or the BoE's view on the balance of inflation risks.

Canada's unemployment rate jumps to 6.9% in April as Trump tariffs bite

OTTAWA, May 9 (Reuters) - Canada's unemployment rate rose to 6.9% in April, the highest since November, as U.S. tariffs started to hit Canada's export-dependent economy in earnest, data showed on Friday. Overall, the employment number was largely flat with minimal gains of net 7,400 jobs in April, it said. This was in contrast to a loss of 32,600 jobs the prior month. Analysts polled by Reuters had predicted employment to increase by 2,500 people and the unemployment rate to increase to 6.8%. The 6.9% figure matched November unemployment, which was an eight-year high outside of the pandemic era.

DISCLAIMER: This document and its contents do not reflect the opinions, views, policies or positions of London Stock Exchange Group plc ("LSEG") or its affiliates and they are prepared for Kuwait Finance House (KFH)'s and their clients internal consumption only and do not constitute an offer, or the solicitation of an offer, or advice to buy or sell a security or to make a particular investment or follow a particular strategy or enter into any agreement. The information and any views expressed are given as of the date of writing and are subject to change. While the information has been obtained from sources believed to be reliable, LSEG does not warrant that it is accurate or complete and it should not be relied on as such. Responsibility for any decisions taken by KFH (including but not limited to its affiliates and subsidiaries) on the basis of information contained herein solely rest with the end user i.e. KFH's clients. Market Data and News Source is LSEG Eikon. LSEG its affiliates, subsidiaries, employees, and contractors accept no liability for any direct or indirect loss arising out of the use of this document or its contents.

China's consumer prices fall for third straight month in April

BEIJING, May 10 (Reuters) - China's consumer prices fell for the third month in a row in April while producer deflation worsened, as policymakers navigate the economic impact of a trade war with the United States. The consumer price index edged down 0.1% last month from a year earlier, matching a 0.1% drop in March, National Bureau of Statistics data showed on Saturday. That also matched a Reuters poll forecast of a 0.1% dip. CPI was up 0.1% month-on-month versus the 0.4% fall in March and compared with economists' forecasts for no change in prices. The producer price index dropped 2.7% in April year on year, worsening from a 2.5% decline in March.

Brazil's annual inflation rate drifts further above target in April

SAO PAULO, May 9 (Reuters) - Brazil's annual inflation rate rose to 5.53% in April from 5.48% in the prior month, official data showed on Friday, days after the central bank hiked its benchmark interest rate to the highest level in almost 20 years due to stubbornly high inflation. Consumer prices in Latin America's largest economy remain well above the Brazilian central bank's inflation target of 3% with a tolerance of plus or minus 1.5 percentage points. Monthly inflation as measured by the IPCA index rose 0.43%, decelerating from the 0.56% growth registered in March.

Oil prices rise as US-China trade talks soothe market jitters

TOKYO, May 12 (Reuters) - Oil prices rose after both sides in U.S.-China trade talks over the weekend touted their progress, which lifted market sentiment that the world's two largest crude users may be moving toward a resolution of their trade dispute. Brent crude futures climbed 27 cents, or 0.4%, to \$64.18 a barrel. U.S. West Texas Intermediate (WTI) crude futures were trading at \$61.30 a barrel, up 28 cents, or 0.5%, from Friday's close. Both benchmarks increased more than \$1 on Friday and gained over 4% last week, notching their first weekly gains since mid-April, after a U.S. trade deal with the United Kingdom made investors optimistic.