



بيت التمويل الكويتي
Kuwait Finance House

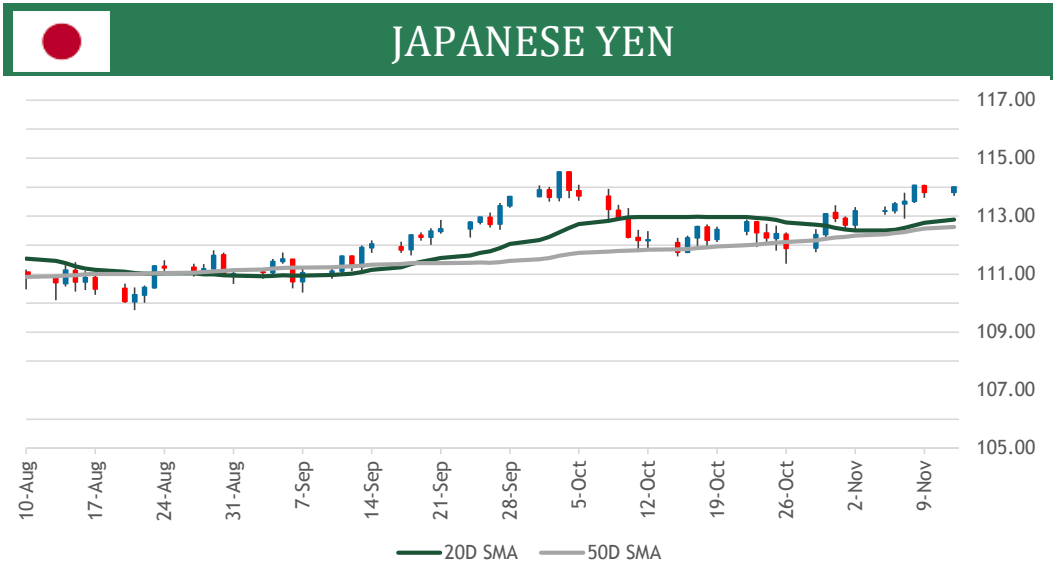


Market Commentary

KFH Treasury



Forex Market



CLOSE **113.82** 1M %chg **0.78%** 3M %chg **2.48%**

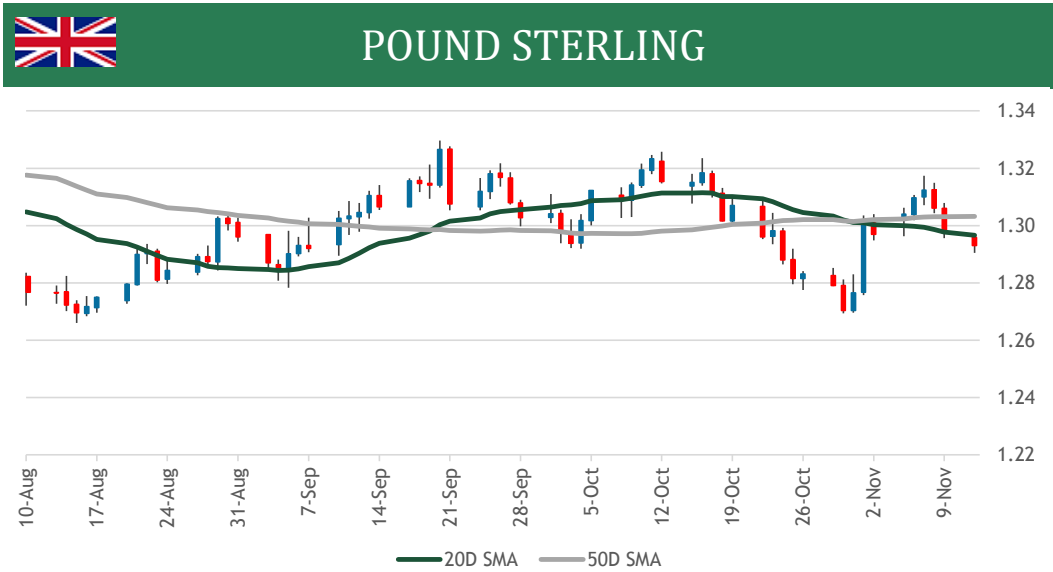
- The Yen traded firmer last Fri on risk aversion flows (stemming from the Fed's continued stance of gradual tightening and the slide in Chinese/HK equities) and with sentiment shaped by a slump in GBP/JPY (negative Brexit developments) and EUR/JPY (Italian concerns).
- In the early going today, the Yen has given back some of Fri's gains with sentiment shaped by crude's rebound, the Nikkei erasing all of it's early losses, and the mild early gains in Chinese equities.
- The Yen has also been weighed down by a delayed reaction to last Fri's Reuters report that the Japanese govt is considering a Yen10 trln stimulus package to offset the negative impact of the Oct 2019 sales tax hike, with some raising concerns about how it would add to Japan's already burgeoning public debt pile.
- At this stage, we still favour staying on the sidelines for a fresh trade cue.



CLOSE **1.1334** 1M %chg **-1.35%** 3M %chg **-1.67%**

- The Euro traded mixed last Fri, weakening against the USD (follow-through from last Thurs' FOMC statement) and Yen/Swiss Franc(risk aversion flows) with sentiment further shaped by the continued EU-Italy standoff over the latter's budget plans.
- That said, the Euro gained ground against the risk/commod-ccies(latter weighed down by crude weakness).
- In early trade today, the Euro has however given back some of it's gains against the commod-ccies on account of the rebound in crude.
- Tomorrow is the deadline for Italy to submit their revised budget plan but as things stand, the Italian govt continues to insist that they won't make any alterations.
- Sell on strength around 1.1350, targeting a run down to 1.1234, placing stops at 1.1418.

Forex Market



CLOSE	1M %chg	3M %chg
1.2974	-1.28%	1.19%

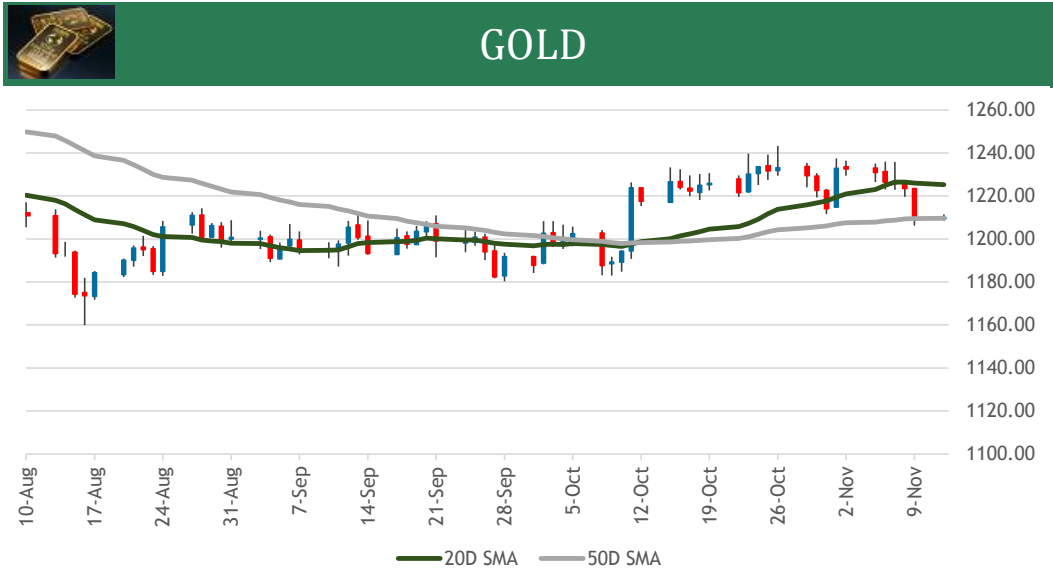
- The Sterling slid last Fri on negative Brexit developments. Specifically, UK Minister for Transport Jo Johnson resigned and tweeted that "the UK is barreling toward an incoherent Brexit that is going to leave us trapped in a subordinate relationship to the EU with no say over rules that would govern our economy".
- There was also DUP opposition to the current Brexit plan, with DUP lawmaker Sammy Wilson stating that they can't support the current deal since it treats N.Ireland "differently", while DUP leader Arlene Foster said that UK PM May's Brexit letter "raises alarm bells for those who value the integrity of our precious union and for those who want a proper Brexit for the whole of the UK".
- Ireland central bank Governor Philip Lane also said that one 'can't rule out a disorderly Brexit'.
- Sell around 1.2943/51, targeting a run down to 1.2857, placing stops at 1.3009.



CLOSE	1D %chg	1M %chg
5.4596	0.04%	-10.50%

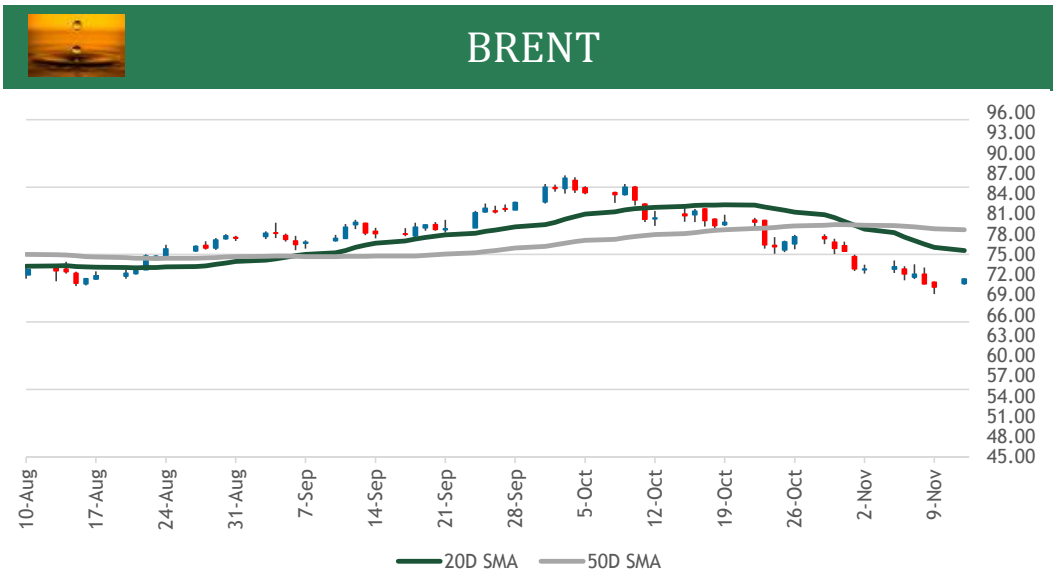
- Extending the corrective bounce from 5.2930 to pressure the 5.5000 congestion base.
- Daily momentum studies and the Tension Indicator continue to improve, highlighting continuation towards 5.6000.
- However, any further gains are expected to be limited in consolidation, as background weekly readings continue to track lower.
- Support remains down to 5.2930. A close beneath here will confirm continuation of the broad August bear trend and target minor congestion around 5.2000. Still lower is the 5.1000~ break level from early August.

Commodities



CLOSE **1209.21** 1D %chg **-1.17%** 1W %chg **-1.89%**

- Gold prices were steady on Monday, having dipped to a one-month low in the previous session after the U.S. dollar firmed on the Federal Reserve's plans to gradually keep tightening borrowing costs.
- Spot Gold was little changed at \$1,209.57 per ounce at 0121 GMT. On Friday, prices fell to their lowest since Oct. 11 at \$1,206.13 per ounce.
- U.S. Gold futures were up 0.3 percent at \$1,211.7 per ounce.



CLOSE **70.18** 1D %chg **-0.67%** 1W %chg **-3.64%**

- Oil prices rose by about one percent on Monday after top exporter Saudi Arabia announced a cut in supply for December, seen as a measure to halt a market slump that had seen crude decline by 20 percent since early October.
- International benchmark Brent crude oil futures were at \$71.11 per barrel at 0051 GMT, up 93 cents, or 1.3 percent from their last close.
- U.S. West Texas Intermediate (WTI) crude oil futures were at \$60.73 per barrel, up 54 cents, or 0.9 percent from their last settlement.
- Saudi Arabia plans to reduce oil supply to world markets by 0.5 million barrels per day in December, its energy minister said on Sunday, as the OPEC power faces uncertain prospects in its attempts to persuade other producers to agree a coordinated output cut.

Daily Market Report



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1362	1.1369	1.1313	1.1334	-0.25%
GBP	1.3060	1.3079	1.2956	1.2974	-0.67%
JPY	114.05	114.08	113.63	113.82	-0.21%
TRY	5.4490	5.5411	5.4275	5.4596	0.04%
Dollar Idx	96.6320	97.0110	96.6230	96.9050	0.19%
Brent	70.87	70.99	69.13	70.18	-0.67%
WTC	-	-	-	60.19	-0.86%
Gold	1223.49	1223.59	1206.13	1209.21	-1.17%
KWSE Index	6603.5800	6643.2400	6601.5900	6633.4400	0.00%

UPCOMING ECONOMIC RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
GDP QQ Capital Expend.	JP	13/Nov 00:50	Q3	3.1	0.0
GDP QQ External Demand	JP	13/Nov 00:50	Q3	-0.1	-0.1
GDP QQ Annualised	JP	13/Nov 00:50	Q3	3.0	-1
Foreign Invest JP Stock	JP	14/Nov 00:50	w/e	107.6	

KIBOR RATES

Tenor	Value	Tenor	Value
ON	0.81	3M	2.06
SW	1.25	6M	2.31
1M	1.81	1Y	2.63

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30385

1D %chg

0.10%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	12/Nov/'18	2.25	2.25	0.00
1W Repo Rate	12/Nov/'18	2.50	2.50	0.00
1M Repo Rate	12/Nov/'18	3.00	3.00	0.00
KWD ON Rate	12/Nov/'18	10.00	10.00	0.00
Discount Rate	12/Nov/'18	3.00	3.00	0.00

LIBOR RATES

Tenor	Value	Tenor	Value
ON	2.18	3M	2.62
SW	2.22	6M	2.86
1M	2.31	1Y	3.14
2M	2.46		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	26/Sep/'18	2.25	1.00	1.25
ECB Refinancing Rate	10/Mar/'16	0.00	0.05	-0.05
BOE Bank Rate	02/Aug/'18	0.75	0.50	0.25
BOJ Prime Rate	10/Jul/'17	1.00	0.95	0.05
TRY ON Lending Rate	21/Sep/'18	25.50	24.00	1.50

Economic Calendar & News

ECONOMIC CALENDAR - Upcoming shortly

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
GDP QQ Capital Expend.	JP	13/Nov 00:50	Q3	3.1	0.0
GDP QQ	JP	13/Nov 00:50	Q3	0.7	-0.30
GDP QQ Annualised	JP	13/Nov 00:50	Q3	3.0	-1.00
GDP QQ Pvt Consmp Prelim	JP	13/Nov 00:50	Q3	0.7	-0.20
GDP QQ External Demand	JP	13/Nov 00:50	Q3	-0.10	-0.10
Avg Wk Earnings 3M YY	GB	13/Nov 10:30	Sep	2.7	3.0
Avg Earnings (Ex-Bonus)	GB	13/Nov 10:30	Sep	3.1	3.1
Claimant Count Unem Chng	GB	13/Nov 10:30	Oct	18.5	
Employment Change	GB	13/Nov 10:30	Sep	-5.00	34
ILO Unemployment Rate	GB	13/Nov 10:30	Sep	4.0	4.0
ZEW Survey Expectations*	EU	13/Nov 11:00	Nov	-19.40	
NFIB Business Optimism Idx	US	13/Nov 12:00	Oct	107.90	
Export Corn Inspected	US	13/Nov 17:00	w/e	1254.057	
Exp Soybean Inspected	US	13/Nov 17:00	w/e	1229.042	
Export Wheat Inspected	US	13/Nov 17:00	w/e	327.192	
Federal Budget,\$	US	13/Nov 20:00	Oct	119.00	-98.00
Foreign Bond Investment	JP	14/Nov 00:50	w/e	-167.30	
Foreign Invest JP Stock	JP	14/Nov 00:50	w/e	107.6	
Capacity Utilization MM SA*	JP	14/Nov 05:30	Sep	2.2	
Industrial Output Rev*	JP	14/Nov 05:30	Sep	-1.10	
CPI NSA*	GB	14/Nov 10:30	Oct	106.65	
Core CPI MM	GB	14/Nov 10:30	Oct	0.0	0.2
Core CPI YY	GB	14/Nov 10:30	Oct	1.9	2.0

NEWS AND STREET BUZZ

Global Top News

-Asian shares fell on Monday, extending weakness in global equity markets at the end of last week as soft Chinese economic data and falling oil prices rekindled anxiety about the outlook for world growth.

-Chinese e-commerce giant Alibaba Group Holding Ltd cashed a record 213.5 billion yuan (\$30.7 billion) in sales on Sunday during its 24-hour online retail frenzy Singles' Day, but the event's annual growth dropped to its slowest rate.

-Saudi Arabia plans to reduce oil supply to world markets by 0.5 million barrels per day in December, its energy minister said on Sunday, as the OPEC power faces uncertain prospects in its attempts to persuade other producers to agree a coordinated output cut.

-Saudi stocks slumped to their weakest level in more than two weeks on Sunday, hurt by the latest slump in oil prices, which also dragged most Gulf markets lower.

-Qatar National Bank has appointed Abdulla Mubarak al-Khalifa as its acting chief executive, the Middle East and Africa's largest lender said on Sunday.

-The United Arab Emirates' central bank now has the flexibility to set new exposure limits for banks to the real estate sector and can amend these to reflect market performance, a senior commercial banker said on Sunday.

-State-run Abu Dhabi National Oil Company (ADNOC) said on Saturday it had signed a 10-year agreement with Wanhua Chemical Group under which the Chinese company would purchase up to up to 1 million metric tonnes of liquefied petroleum gas (LPG) annually.

-Abu Dhabi Crown Prince Sheikh Mohammed Bin Zayed said in a tweet on Sunday he discussed with Total CEO Patrick Pouyanne "potential bio-energy cooperation" between the company and the institutions of the United Arab Emirates.

-Loan growth in the United Arab Emirates' banking sector will be around 5 percent in 2019, Abdulaziz al-Ghurair, chairman of the UAE Banks Federation, predicted on Sunday.

-Qatar Petroleum has offered three al-Shaheen crude cargoes to load in January via tender, two sources with knowledge of the matter said on Monday, up from two cargoes in the previous month.

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