



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

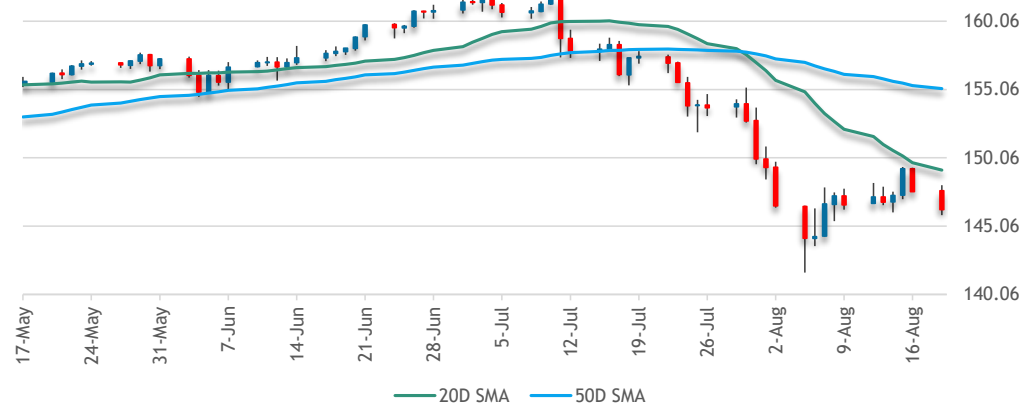
KFH Treasury



Report produced on
Mon, 19-Aug-2024

Forex Market

JAPANESE YEN



CLOSE
147.58

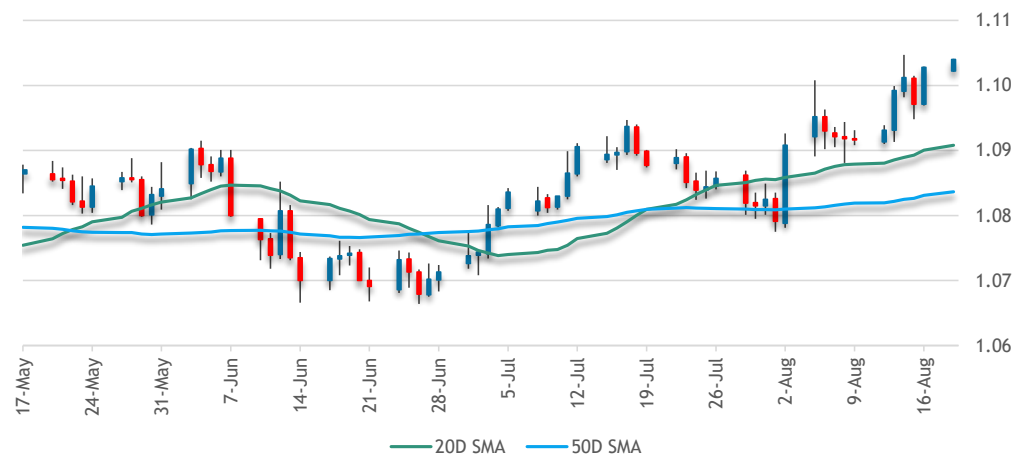
1M %chg
-6.80%

3M %chg
-5.02%

USD/JPY-Decline extends as dovish Fed views gain ground
19 Aug 2024 07:39:34 PM

- * USD/JPY down 0.5% in Asia after early rally runs into sellers above 148.00
- * Declines rapidly from 148.05 day high on dovish comments from Fed officials
- * Weekend comments from Fed's Daly and Goolsbee point to imminent Fed easing
- * Powell speaks on economic outlook Fri, likely to endorse Sep rate cut
- * Japan July inflation data on Fri key, may show inflation likely picked up
- * May support another near-term BOJ hike as Japan's economy rebounds strongly
- * Near one-way slide to 146.68 low eventuates; initial support 146.45-50
- * Stronger support at 146.00-10; Resistance 147.40-50

EURO



CLOSE
1.1028

1M %chg
1.20%

3M %chg
1.50%

EUR/USD-Sustains Friday's gains - targets 1.1139
19 Aug 2024 07:29:56 AM

- * +0.05% near the top of a 1.1012-1.1036 range after opening soft
- * Yield spreads to lead EUR/USD - UST yields flat after opening firmer in Asia
- * Charts; daily momentum studies climb, 21-day Bollinger bands expand
- * 5, 10 & 21-day & week moving averages rise - daily signals remain supportive
- * Friday's 1.0971 low and then Thursday's 1.0949 base are initial supports
- * The 1.1047 trend high last week and 1.1139 Dec top are the first resistance
- * A close below the rising 1.0908 21-DMA would end the topside bias
- * 934mln 1.1000 are the only close strikes for August 19th

Forex Market

POUND STERLING



CLOSE
1.2944

1M %chg
-0.16%

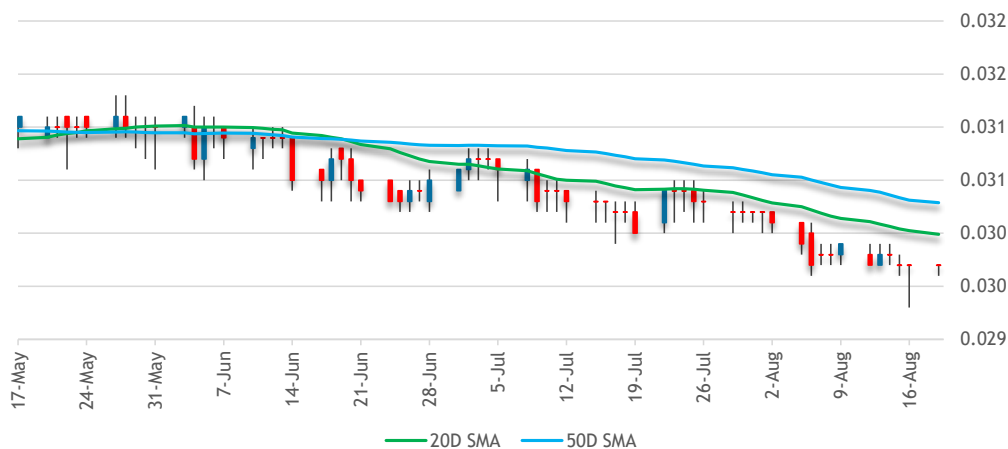
3M %chg
2.19%

COMMENT-Sterling regains 1.29 after UK retail sales growth dents BoE cut odds

16 Aug 2024 06:11:58 PM

The recent GBP/USD bid remained intact as the pair climbed to a 3-week high of 1.2914, and bulls may target 2024 highs of 1.3044 struck on July 17, after rising UK retail sales implied the economy, like that of the U.S., might not be slowing, despite the disappointing U.S. payrolls release on August 2. LSEG's IRPR now indicates -41bp of BoE cuts by year-end 2024, and more importantly for spot traders, STIR futures are now pricing a 36% chance for a BoE 25bp cut in September, down from over 50% prior to the recent strong GDP and retail sales data. With GBP spec long positioning nearly halved since the record high on July 23, there is room for bulls to reload given the steadier UK rate outlook into year-end, though the slope of the rise may be somewhat tempered by less-dovish Fed expectations following the early August U.S. payrolls surprise.

TURKISH LIRA



CLOSE
0.0297

1M %chg
-1.98%

3M %chg
-4.19%

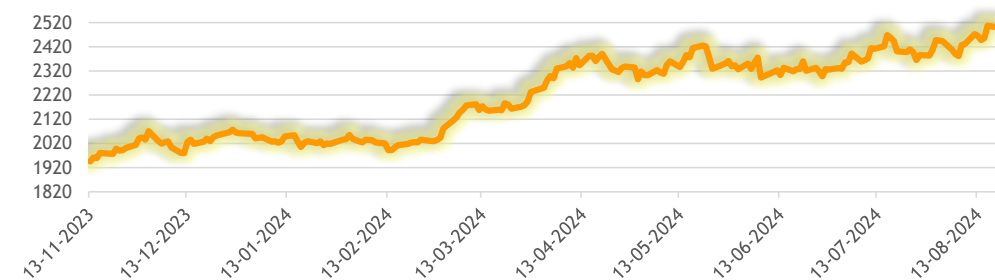
Turkey - Factors To Watch

19 Aug 2024 08:47:11 AM

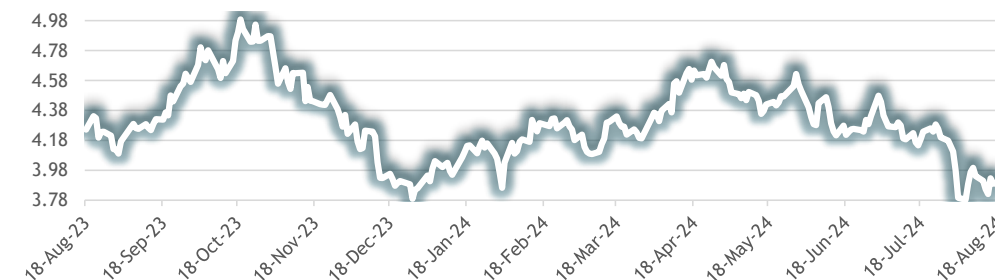
ISTANBUL, Aug 19 (Reuters) - The lira TRYTOM=D3 was quoted at 33.7200 against the U.S. dollar, after closing at 33.7015 on Friday. The main BIST 100 share index .XU100 closed 1.61% lower at 9,821.96 points on Friday.

Gold, US Treasury & Dollar Index

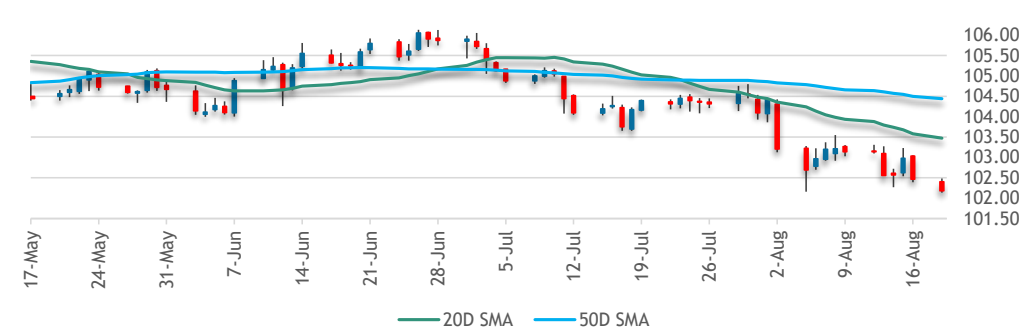
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

3.89

1M %chg

-6.60%

3M %chg

-11.08%

PRECIOUS-Gold trades near historic \$2,500 mark on Fed rate-cut optimism

19 Aug 2024 07:45:00 AM

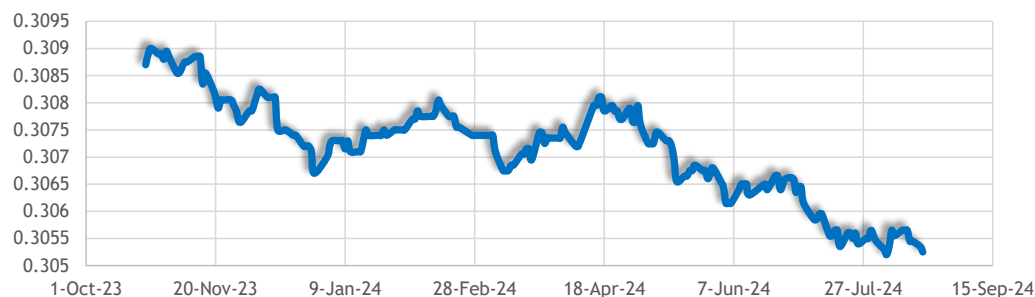
Aug 19 (Reuters) - Gold prices eased on Monday and hovered around key \$2,500 level, as traders locked in profits following bullion's climb to an all-time peak in the previous session on expectations of a U.S. interest rate cut next month. Spot gold was down 0.2% at \$2,502.78 per ounce, and U.S. gold futures GCc1 edged 0.2% higher to \$2,541.80. Enthusiasm over a likely interest rate cut by the U.S. Federal Reserve in September propelled bullion to an all-time high of \$2,509.65 on Friday. This coupled with increased geopolitical tensions and robust central bank-buying have sent bullion over 20% higher so far this year. Holdings of SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, rose nearly 1% on Friday. COMEX gold speculators also raised net long position by 34,197 contracts in week ended Aug. 13, data showed. Elsewhere, spot silver XAG= rose 0.2% to \$29.08 per ounce, platinum gained 0.4% to \$957.75 and palladium shed 0.4% to \$947.13.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
House Price Rightmove MM*	GB	19-Aug 00:00	Aug	-0.4	
House Price Rightmove MM*	GB	19-Aug 00:00	Aug	-0.4	
House Price Rightmove YY*	GB	19-Aug 00:00	Aug	0.4	
House Price Rightmove YY*	GB	19-Aug 00:00	Aug	0.4	
Leading Index Chg MM*	US	19-Aug 19:30	Jul	-0.2	-0.3
Exports YY	JP	20-Aug 05:20	Jul	5.4	11.4
Imports YY	JP	20-Aug 05:20	Jul	3.2	14.9
Trade Balance Total Yen	JP	20-Aug 05:20	Jul	224.0	-330.7
Current Account NSA, EUR*	EU	20-Aug 13:30	Jun	9.60	
Current Account SA, EUR*	EU	20-Aug 13:30	Jun	36.700	
HICP-X F, E, A, T Final MM	EU	20-Aug 14:30	Jul	-0.20	-0.2

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0971	1.1029	1.0969	1.1028	0.52%
GBP	1.2851	1.2945	1.2849	1.2944	0.72%
JPY	149.27	149.34	147.56	147.58	-1.13%
TRY	0.0297	0.0297	0.0293	0.0297	0.00%
Dollar Idx	103.035	103.051	102.393	102.463	-0.50%
Brent	80.86	81.02	78.62	79.68	-1.68%
WTC	77.52	78.6	77.45	78.05	-2.02%
Gold	2456.3101	2509.65	2450.5664	2507.2825	2.08%
KWSE Index	7122.02	7140.73	7116.5	7127.88	0.29%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.31	3M	4.25
SW	3.75	6M	4.44
1M	4.00	1Y	4.63

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30535

-0.36%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	27-Jul-'23	3.88	3.63	0.25
1W Repo Rate	27-Jul-'23	4.13	3.88	0.25
1M Repo Rate	27-Jul-'23	4.38	4.38	0.00
KWD ON Rate	27-Jul-'23	10.00	10.00	0.00
Discount Rate	27-Jul-'23	4.25	4.00	0.25

LIBOR RATES

Tenor	Value	Tenor	Value
ON	5.06	3M	5.39
SW	0.08	6M	5.27
1M	5.45	1Y	6.04
2M	0.15		

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	26-Jul-'23	5.50	4.25	1.25
ECB Refinancing Rate	18-Jul-'24	4.25	4.25	0.00
BOE Bank Rate	01-Aug-'24	5.00	5.00	0.00
BOJ Prime Rate	09-Aug-'24	1.65	1.80	-0.15
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50

KEY INTERNATIONAL STORIES

US consumer sentiment rises in August; inflation expectations steady

Aug 16 (Reuters) - U.S. consumer sentiment rose in August, driven by developments in the race for the White House, while inflation expectations remained unchanged over the next year and beyond, a survey showed. The University of Michigan's preliminary reading on the overall index of consumer sentiment came in at 67.8 this month, compared to a final reading of 66.4 in July. Economists polled by Reuters had forecast a preliminary reading of 66.9. The survey's reading of one-year inflation expectations was unchanged at 2.9% in August, matching the reading in July. Its five-year inflation outlook remained at 3.0% for the fifth straight month.

UK retail sales rise 0.5% in July

LONDON, Aug 16 (Reuters) - British retail sales rose 0.5% in July, official figures showed on Friday, after a weak performance in June - due partly to unusually cool and wet weather - weighed on economic growth. The squeeze on British consumers from high inflation in 2022 and 2023 is beginning to ease. Inflation was back at its 2% target in May and June, and only slightly above that in July, while wage growth exceeded inflation by the highest margin since mid-2021 in the second quarter of the year. The Bank of England this month made a first cut to interest rates from their 16-year high.

China's youth unemployment rate climbed to 17.1% in July

BEIJING, Aug 16 (Reuters) - The jobless rate for 16- to 24-year olds in China, excluding students, rose to 17.1% in July from 13.2% in the prior month, the country's statistics bureau said on Friday, as employers in the lackluster \$19 trillion economy held off on hiring. Youth unemployment hit a record high of 21.3% in June last year, prompting China to halt publication of the closely watched benchmark, saying students still enrolled should be excluded. The rate last month for 25- to 29-year olds was 6.5%, and also excluded college students, and 3.9% for people between 30 and 59 years of age.

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Japan June machinery orders rise 2.1% m/m, more than expected

TOKYO, Aug 19 (Reuters) - Japan's core machinery orders rose more than expected in June compared to month ago, government data showed on Monday, even though they unexpectedly fell on a year-on-year basis. Core orders, a highly volatile data series regarded as a leading indicator of capital spending in the six to nine months ahead, rose in June by 2.1% from the previous month, Cabinet Office data showed. That compared with a 1.1% rise expected by economists in a Reuters poll. However, on a year-on-year basis, core orders, which exclude volatile numbers from shipping and electric utilities, dropped 1.7%, versus a forecast for a 1.8% growth, the Cabinet Office data showed.

Brazil's economy shows strength in Q2 as June activity overshoots forecasts

BRASILIA, Aug 16 (Reuters) - The Brazilian economy closed the second quarter showing resilience after much stronger-than-expected activity data in June, central bank figures showed, reinforcing forecasts of a solid year for Latin America's No.1 economy. The IBC-Br index, a key predictor of gross domestic product, increased by a seasonally adjusted 1.4% in June from the previous month, beating the 0.5% growth expected by economists in a Reuters poll. The monthly performance led to a 1.1% expansion in the second quarter compared with the previous three months. Brazil's economy has been supported by a strong labor market and booming services sector, which hit an all-time high in June.

Oil prices ease on China demand fears, focus on Mideast talks

TOKYO, Aug 19 (Reuters) - Oil prices eased in early Asian trading on Monday as fears of weaker demand in top oil importer China weighed on market sentiment while investors focus on the progress of ceasefire talks in the Middle East, which could reduce supply risks. Brent crude futures dropped 13 cents, or 0.2%, to \$79.55 per barrel. U.S. West Texas Intermediate crude futures slid 13 cents, or 0.2%, to \$76.52 a barrel. Both benchmarks fell nearly 2% last Friday as investors tempered expectations of demand growth from China, but ended the week largely unchanged from a week earlier after a batch of U.S. data last week showed inflation was moderating and retail spending was robust.



Market data & Reuters News
is sourced from LSEG Eikon.