



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

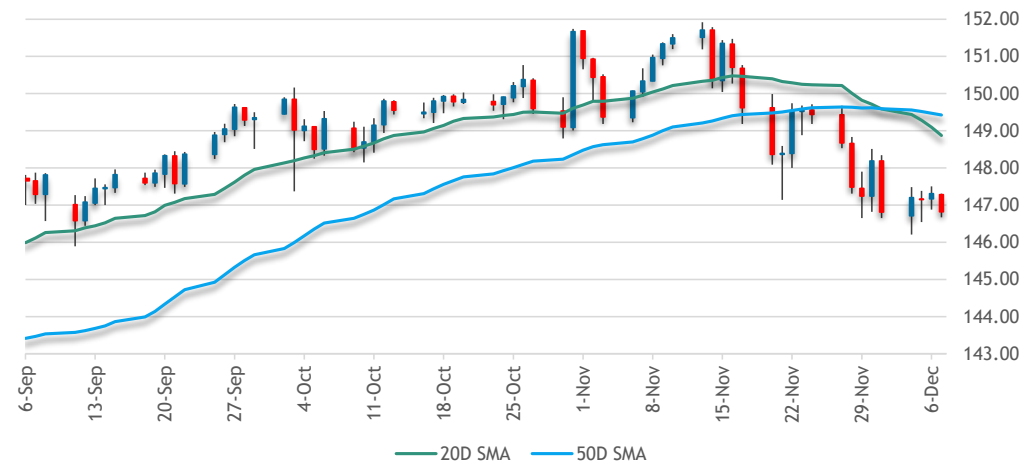
KFH Treasury



Report produced on
Thu, 07-Dec-2023

Forex Market

JAPANESE YEN



CLOSE
147.31

1M %chg
-1.84%

3M %chg
-0.23%

USD/JPY in holding pattern around 147.00, JPY crosses heavy - Reuters

07 Dec 2023 07:49:18 AM

- * JPY better bid across board, JPY crosses heavier than USD/JPY
- * USD/JPY 146.70-147.29 EBS in Asia, pivoting around 147.00
- * Tokyo sees 146-148 range into US payrolls data tomorrow
- * Nearby option expiries today to help contain action, plenty on 147
- * 146.50-60 \$525 mln supportive, 147.00 \$771 mln gravitational pull?
- * Total \$3.3 bln or so 147.00 to 147.90 strikes
- * Nikkei -1.7% @32,885, Asia risk off in general, E-minis off small @4553

EURO



CLOSE
1.0762

1M %chg
0.44%

3M %chg
0.33%

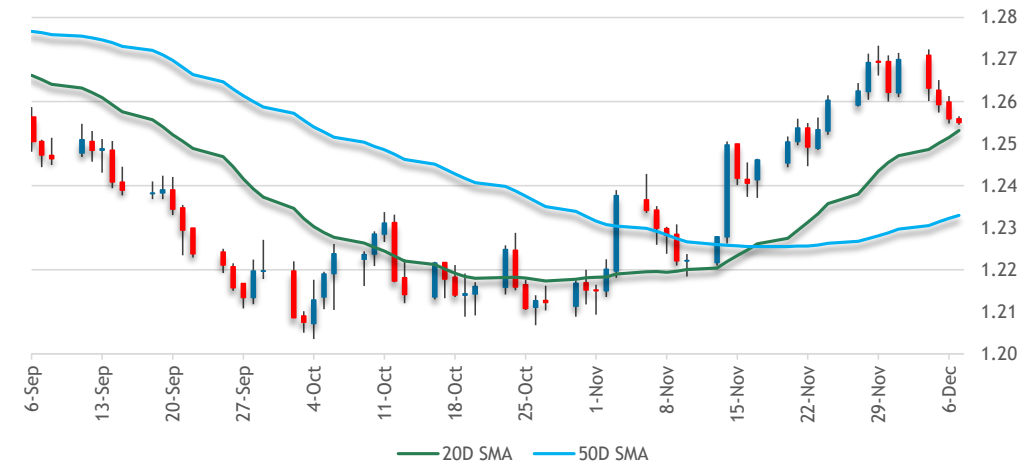
EUR/USD-Barely moves in Asia as focus in on JPY - Reuters News

07 Dec 2023 08:25:03 AM

- * EUR/USD opened -0.31% at 1.0764 after dovish ECB outlook weighed
- * EUR/USD barely moved in Asia and traded in a 1.0764/71 range
- * Slide in USD/JPY \from 147.25 to 146.70 on Ueda comments had no impact in EUR/USD
- * EUR/USD overing around 100-day MA at 1.0766 with bids eyed at 1.0755/60
- * Support is at the 50% retracement of the 1.0448/1.1017 move at 1.0732
- * Resistance is at the 21-day MA at 1.0855 and 10-day MA at 1.0878
- * EUR/USD likely to remain choppy ahead of US jobs data on Friday

Forex Market

POUND STERLING



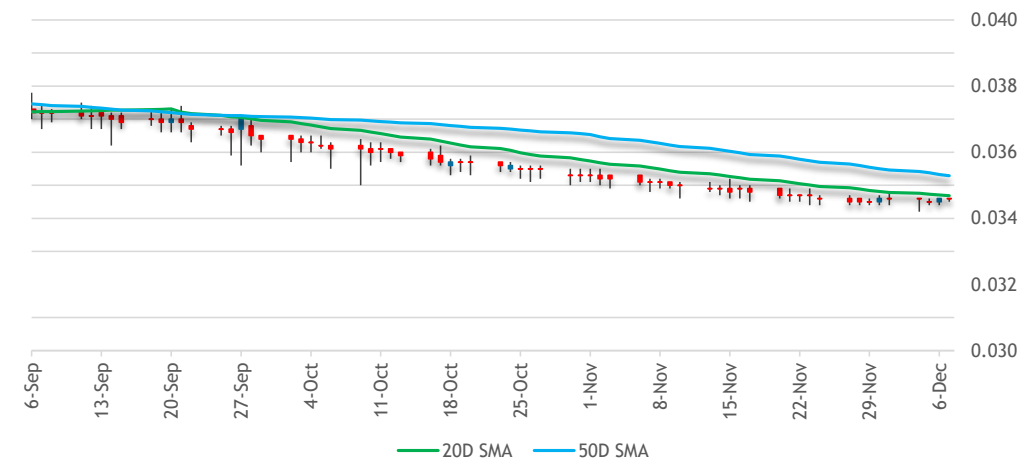
CLOSE **1.2559** 1M %chg **1.77%** 3M %chg **0.43%**

GBP/USD-Sustains this week's losses - busy tight range - Reuters

07 Dec 2023 07:10:47 AM

- * -0.05% at the base of a 1.2554-1.2563 range, with good volumes on D3
- * There is no significant UK data, so risk appetite and the USD lead sterling
- * Expecting choppy consolidation into Friday's U.S. payrolls data
- * Charts; 10, and 21-day moving averages climb as momentum studies slip
- * 21-day Bollinger bands contract - signals have turned neutral from positive
- * Well tested 1.2721. 61.8% of the Jul-Oct fall remains the major resistance
- * A close below 1.2467, 38.2% of the October/November rise would be bearish
- * 1.2518 21-day moving average and 1.2605 NY top are first support, resistance

TURKISH LIRA



CLOSE **0.0346** 1M %chg **-1.42%** 3M %chg **-6.99%**

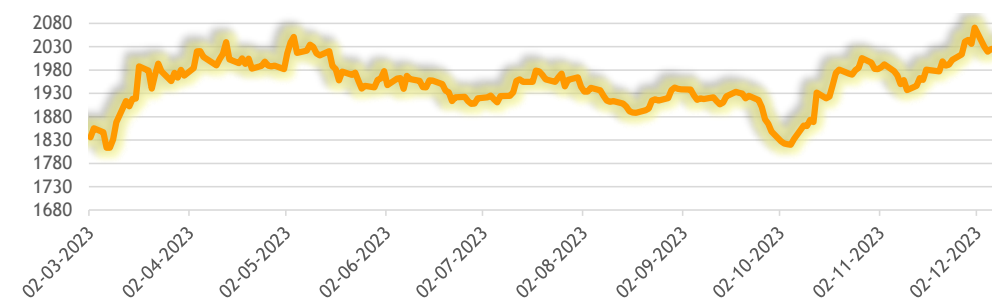
Turkey - Factors To Watch

07 Dec 2023 08:37:58 AM

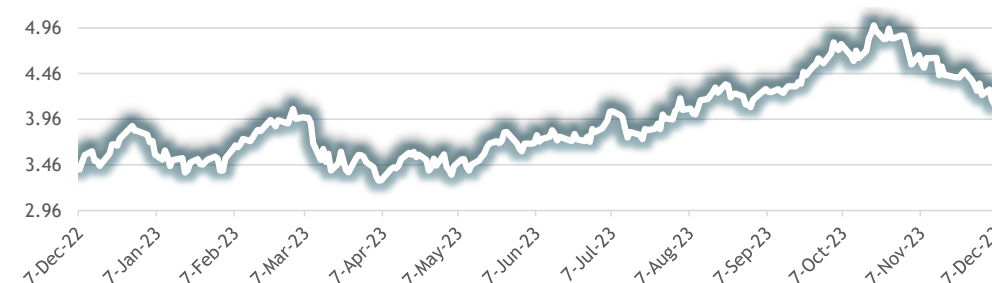
ANKARA, Dec 7 (Reuters) - The lira TRYTOM=D3 was traded at 28.9050, little changed from its close of 28.9000 on Wednesday. The main BIST 100 share index .XU100 closed 2.51% lower at 7,855.06 points on Wednesday.

Gold, US Treasury & Dollar Index

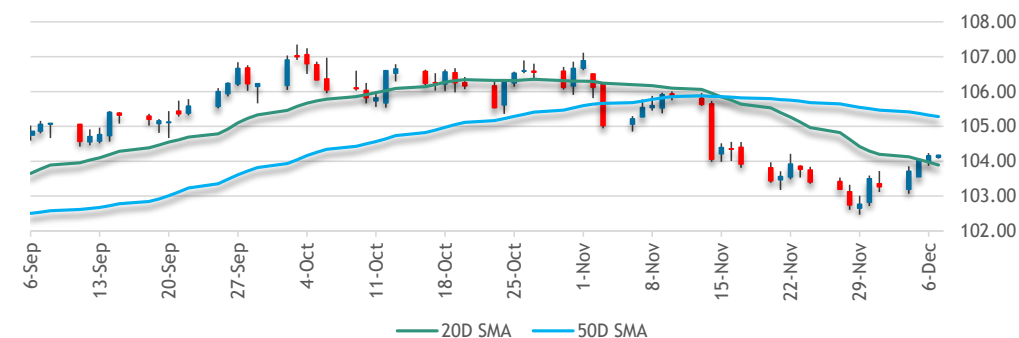
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.13

1M %chg

-11.60%

3M %chg

-3.94%

PRECIOUS-Gold prices firm as US jobs data fuels rate-cut bets

07 Dec 2023 06:28:00 AM

Dec 7 (Reuters) - Gold prices rose on Thursday, as signs of a cooling U.S. labour market supported bets of an interest rate cut early next year, while traders also awaited key jobs print due later in the day that could offer clues on the Federal Reserve's trajectory. Spot gold was up 0.1% at \$2,027.12 per ounce. U.S. gold futures fell 0.2% to \$2,044.10. The dollar index dipped 0.1% against a basket of currencies, making gold less expensive for other currency holders. Yields on 10-year Treasury notes hovered near a three-month low. U.S. job openings fell to a 2-1/2-year low in October, and U.S. private payrolls increased less than expected last month, signalling a gradual cooling of the labor market. Traders are pricing in about a 60% chance of a rate cut by March next year, CME's FedWatch Tool shows. The Bank of Canada on Wednesday held its key overnight rate at 5% and left the door open to another hike. Spot silver fell 0.4% to \$23.79 per ounce, while platinum dropped 0.3% to \$887.40 and palladium edged 0.1% lower to \$942.40 per ounce.

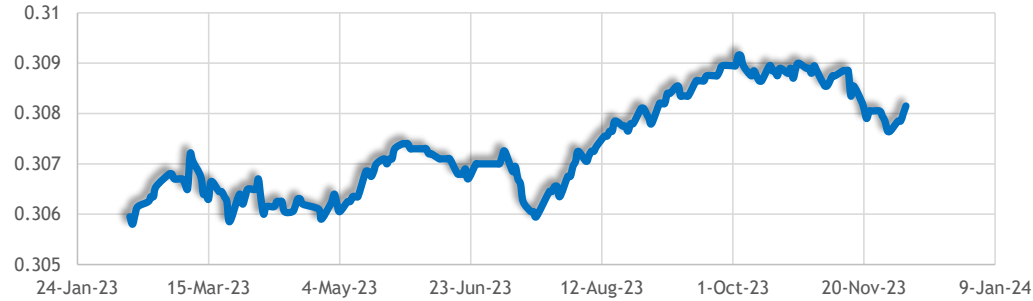
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Consumer Credit*	US	07-Dec 01:30	Oct	9.06	9.00
All Household Spending MM*	JP	07-Dec 05:00	Oct	0.3	-0.2
Overall Lab Cash Earnings	JP	07-Dec 05:00	Oct	1.2	
Overtime Pay*	JP	07-Dec 05:00	Oct	0.7	
Bank Lending YY	JP	07-Dec 05:20	Nov	2.8	
Bank Lending YY	JP	07-Dec 05:20	Nov	2.8	
Current Account Bal SA*	JP	07-Dec 05:20	Oct	20109	
Current Account, Goods*	JP	07-Dec 05:20	Oct	341.175	
Current Account NSA JPY	JP	07-Dec 05:20	Oct	2723.6	1901.2
GDP Deflator YY Final*	JP	07-Dec 05:20	Q3	5.1	
GDP Cap Ex Rev QQ	JP	07-Dec 05:20	Q3	-0.6	-0.5

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0791	1.0804	1.0757	1.0762	-0.31%
GBP	1.2599	1.2613	1.2548	1.2559	-0.27%
JPY	147.17	147.5	146.88	147.31	0.11%
TRY	0.0345	0.0346	0.0344	0.0346	0.29%
Dollar Idx	103.991	104.233	103.867	104.153	0.10%
Brent	77.12	77.65	74.11	74.3	-3.76%
WTC	-	-	-	68.98	-4.13%
Gold	2019.59	2035.69	2017.0311	2024.8975	0.27%
KWSE Index	6638.98	6655.61	6629.5	6655.4	0.26%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.56	3M	4.31
SW	3.81	6M	4.50
1M	4.06	1Y	4.75

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30815

-0.08%

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	0.00	3M	5.64
SW	0.00	6M	5.74
1M	5.47	1Y	0.00
2M	0.00		

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	26-Oct-'23	4.50	4.50	0.00
BOE Bank Rate	02-Nov-'23	5.25	5.25	0.00
BOJ Prime Rate	10-Nov-'23	1.60	1.50	0.10
TRY ON Lending Rate	24-Nov-'23	41.50	36.50	5.00



KEY INTERNATIONAL STORIES

Weak US third-quarter unit labor costs point to slowing inflation

WASHINGTON, Dec 6 (Reuters) - U.S. unit labor costs were much weaker than initially thought in the third quarter amid robust worker productivity, providing a boost to the Federal Reserve's fight against inflation. The inflation outlook was further brightened by other data on Wednesday showing a moderation in wage growth in November. Economists polled by Reuters had expected that the decrease in unit labor costs would be revised down to a 0.9% rate. Growth in unit labor costs was lowered to a 2.6% rate in the second quarter from the previously reported 3.2% pace. Unit labor costs rose at a 1.6% rate from a year ago in the third quarter, the smallest year-on-year increase since the second quarter of 2021.

UK coping with higher rates for now but risks lie ahead - BoE

LONDON, Dec 6 (Reuters) - British businesses and households are coping with the climb in interest rates so far but the process of adjustment is far from over and banks must also prepare for changes to the way they fund themselves, the Bank of England said. The British central bank, worried about the long-lasting impact of last year's surge in inflation, raised interest rates at 14 meetings in a row between December 2021 and August this year to a 15-year high of 5.25%, where they have sat since. BoE officials acknowledge signs of a slowdown in the economy but say they are not thinking about cutting rates because of signs that inflation pressure will stay strong. BoE officials acknowledged signs of a slowdown in the economy.

Canada's Ivey PMI rises to 7-month high in November

TORONTO, Dec 6 (Reuters) - Canadian economic activity expanded at its fastest pace in seven months in November, Ivey Purchasing Managers Index (PMI) data showed on Wednesday. The seasonally adjusted index rose to 54.7 in November from 53.4 in October, its highest level since April. The Ivey PMI measures the month to month variation in economic activity as indicated by a panel of purchasing managers from across Canada. A reading above 50 indicates an increase in activity. The gauge of employment rose to an adjusted 55.3 from 54.7 in October, while the prices index was at 62.1, up from 60.0. The unadjusted PMI rose to 53.2 from 51.9.

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China's exports grow for first time in 6 months, imports unexpectedly shrink

BEIJING, Dec 7 (Reuters) - China's exports grew for the first time in six months in November, customs data showed on Thursday, suggesting the manufacturing sector may be beginning to benefit from an uptick in global trade flows. China's exports increased by 0.5% in November from a year earlier, compared with a 6.4% fall in October and beating the 1.1% drop expected in a Reuters poll. Imports fell 0.6%, following a 3.0% increase in October. South Korean exports, another gauge of the health of global trade, rose for a second month in November, buoyed by chip exports, which snapped 15 months of declines. The International Monetary Fund in November upgraded its China growth forecasts for 2023 and 2024 by 0.4% percentage points each.

Brazil's public sector gross debt rises to 74.7% of GDP in October

BRASILIA, Dec 6 (Reuters) - Brazil's government debt as a share of gross domestic product increased to 74.7% in October from 74.4% the month before, central bank data showed on Wednesday, primarily driven by interest expenses. Economists surveyed by Reuters had anticipated the country's gross debt-to-GDP ratio to reach 74.5%. The deterioration occurred despite a primary surplus posted by the public sector for the month, amounting to 14.798 billion reais (\$3 billion), which fell short of the 17.6 billion reais surplus projected in the poll. Over the 12 month-period, the public sector's primary budget deficit expanded to 1.08% of GDP, while the nominal deficit, rose to 7.88% of GDP – the highest level since May 2021's 8.83%.

Oil rebounds from six-month-low, demand concerns still cloud

BEIJING/SINGAPORE, Dec 7 (Reuters) - Oil prices reclaimed some ground on Thursday after tumbling to a six-month-low in the previous session, but investors remained concerned about sluggish demand and economic slowdowns in the U.S. and China. Brent crude futures rose 38 cents, or 0.5%, to \$74.68 a barrel. U.S. West Texas Intermediate crude futures rose 42 cents, or 0.6%, to \$69.80 a barrel. Gasoline stocks rose by 5.4 million barrels in the week to 223.6 million barrels, far exceeding expectations for a 1 million-barrel build. For the first time in a year, the market structure for Brent contracts switched to trade in contango, with contracts for near-term delivery cheaper than six months later.