



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

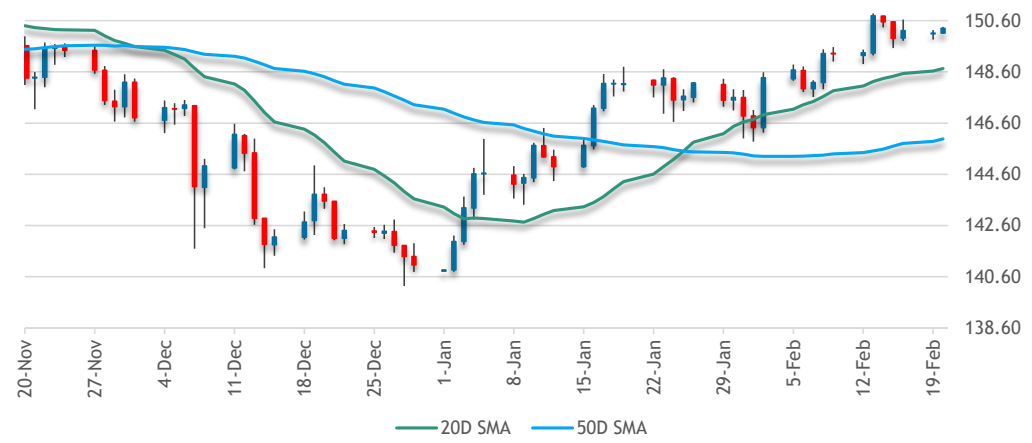
KFH Treasury



Report produced on
Tue, 20-Feb-2024

Forex Market

JAPANESE YEN



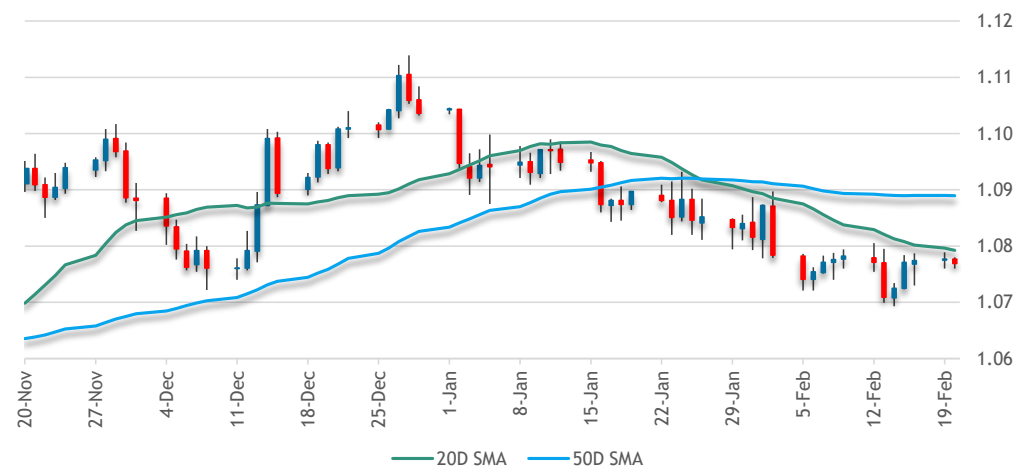
CLOSE **150.11** 1M %chg **1.33%** 3M %chg **0.33%**

USD/JPY still consolidating on 150 ahead of US re-open - Reuters

20 Feb 2024 04:04:37 AM

- * USD/JPY did little yesterday, slumped to 149.88-150.19 EBS range
- * Asia so far today 150.15-28, quiet, some Gotobi Tokyo fix demand eyed
- * Japanese importers likely in at fix, exporters up top towards 150.50, above
- * Some large option expiries tipped at 150.50 today above too, to help cap
- * Level to break 150.88 high Feb 13 and 151.00, break projects 151.92 '23 high
- * Such a move would depend on higher US yields, maybe difficult at this time
- * US yields on firm side at Tokyo open, Treasury 2s @4.653%, 10s @4.320%

EURO



CLOSE **1.0777** 1M %chg **-1.10%** 3M %chg **-1.19%**

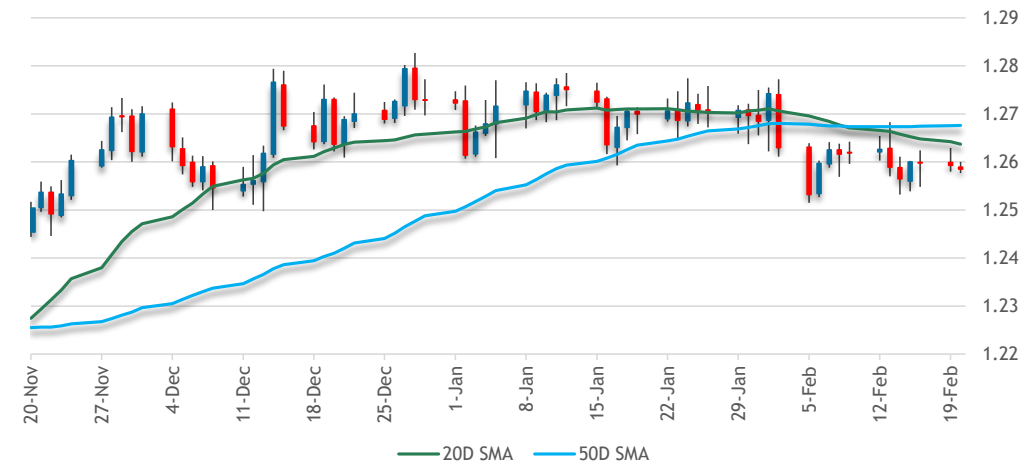
EUR/USD heavy but buoyant in Asia, EUR crosses better bid - Reuters

20 Feb 2024 07:06:18 AM

- * EUR/USD on back-foot in Asia, off some, 1.0778 to 1.0762 EBS
- * Still holding in upper half of recent 1.0695-1.0805 range since Feb 12
- * Resistance topside still at ascending 100-DMA at 1.0804
- * Supports at 1.0761 200-HMA, 1.0757-64 hourly Ichi cloud, 1.0750 100-HMA
- * EUR/JPY 161.77-93 EBS, holding at recent highs just south of 162.00
- * EUR/CHF also just below 0.9515 high yesterday, Asia 0.9507-10 EBS
- * EUR/GBP 0.8555-60, holding below 0.8570 high last Thursday

Forex Market

POUND STERLING



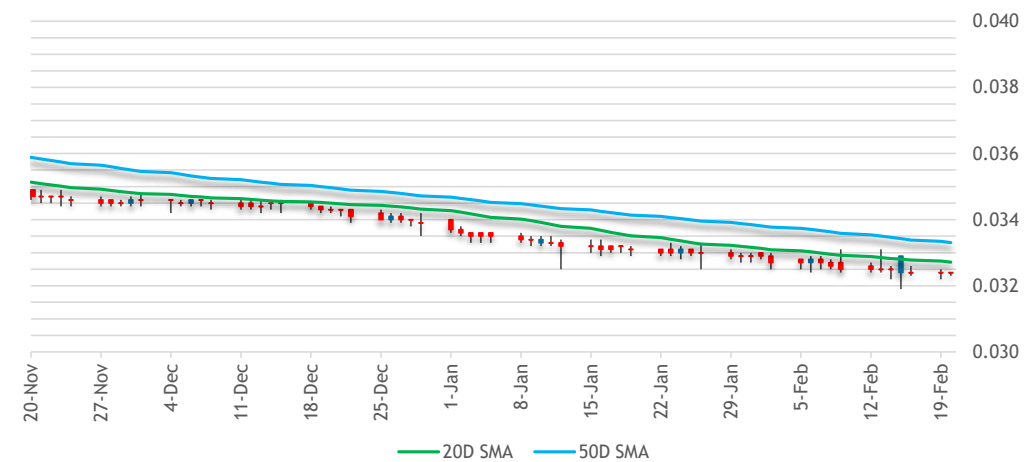
CLOSE **1.2593** 1M %chg **-0.84%** 3M %chg **1.06%**

GBP/USD-Continues to hold above major support above 1.2500 - Reuters

20 Feb 2024 03:35:57 AM

- * Off 0.05% - closed unchanged after reversing off early highs in London
- * Monetary Policy Report Hearings will be interesting after recent data
- * Tight sterling range likely ahead of the hearings - risk, USD to lead GBP
- * Charts; 5 & 21-DMA's track lower with the 21-day Bollinger bands
- * Neutral daily momentum studies - a modest negative setup near the range base
- * There is major support ahead of 1.2500 - first last week's 1.2536 low
- * Then 1.2524 is 38.2% of the Oct/Dec rise and the 1.2501/04 Dec double-bottom
- * Close above 1.2642 21-DMA would suggest another test of the 1.2800 range top

TURKISH LIRA



CLOSE **0.0324** 1M %chg **-2.11%** 3M %chg **-6.90%**

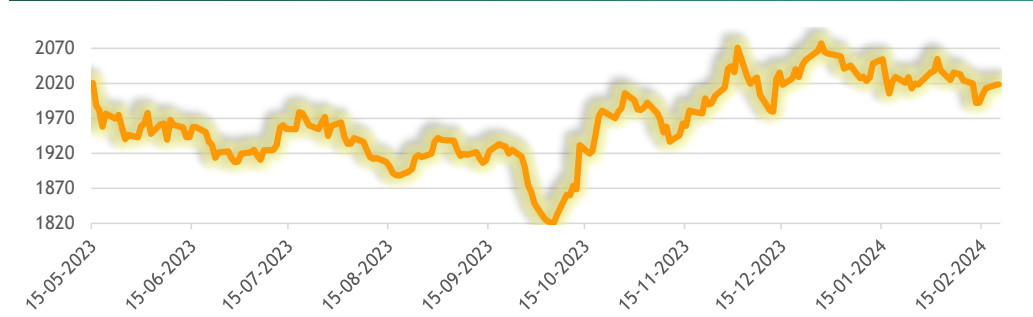
Turkey - Factors To Watch

20 Feb 2024 08:19:37 AM

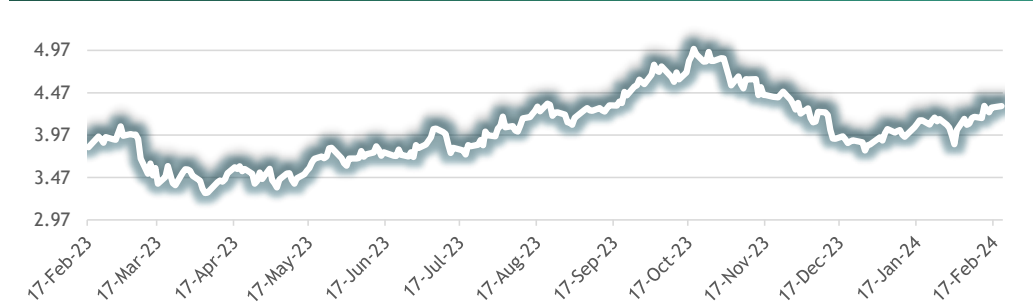
ISTANBUL, Feb 20 (Reuters) - The lira traded at 30.8830 against the U.S. dollar, weakening slightly from a close of 30.8740 on Monday. The main BIST 100 share index closed 0.58% lower at 9,196.41 points on Monday. The Treasury will issue a new five-year CPI-indexed bond maturing on Feb. 14, 2029. It will also issue a five-year lira denominated sukuk to banks through the direct sale method. It will separately sell directly gold bonds and gold-backed sukuks maturing on Feb. 18, 2026.

Gold, US Treasury & Dollar Index

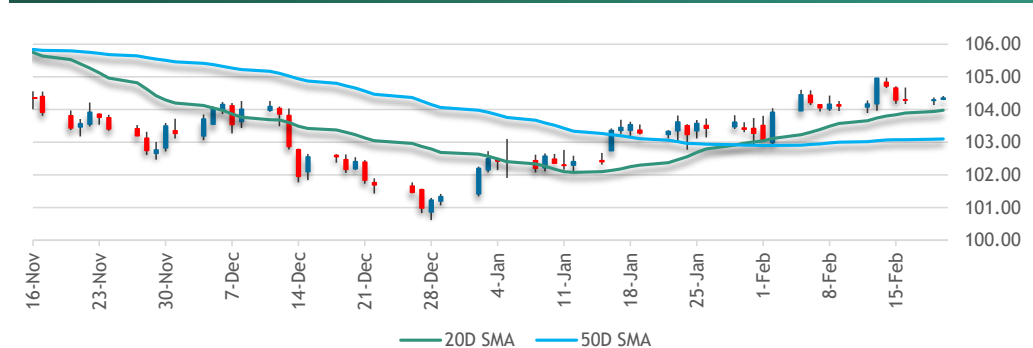
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.31

1M %chg

3.59%

3M %chg

-3.29%

PRECIOUS-Gold holds ground as focus turns to Fed minutes - Reuters News

20 Feb 2024 08:07:58 AM

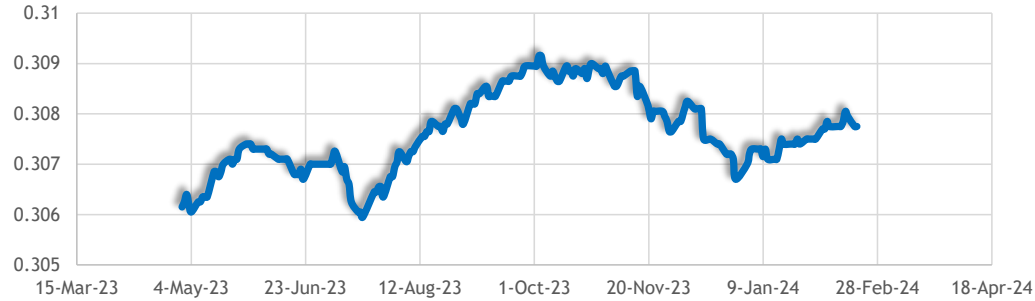
Feb 20 (Reuters) - Gold prices held steady on Tuesday despite a stronger dollar and elevated Treasury yields, as investors awaited the minutes of the last U.S. Federal Reserve policy meeting for more clues on its interest rate cut timing. Spot gold was flat at \$2,018.03 per ounce. U.S. gold futures rose 0.3% at \$2,029.10 per ounce. The dollar index was up 0.1% and yields on benchmark 10-year Treasury notes were up near 4% levels, making greenback-priced bullion less appealing to overseas buyers. Despite "remarkable" progress on U.S. inflation, Fed Bank of San Francisco President Mary Daly said "there is more work to do" to ensure stable prices. Another Fed official also cautioned against delaying rate cuts for too long. Hotter-than-expected U.S. consumer prices and producer prices data last week dashed hopes around a Fed rate cut in March. Markets are currently pricing a 75% chance of a cut in June, according to the CME Fed Watch Tool. Spot platinum fell 0.6% to \$893.16 per ounce, palladium was down 0.8% to \$946.41, while silver also fell 0.4% to \$22.93 per ounce.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Reuters Tankan N-Man Idx	JP	20-Feb 04:30	Feb	29	
Reuters Tankan Man'f Idx	JP	20-Feb 04:30	Feb	6	
Exports YY	JP	20-Feb 05:20	Jan	9.7	9.5
Imports YY	JP	20-Feb 05:20	Jan	-6.9	-8.4
Trade Balance Total Yen	JP	20-Feb 05:20	Jan	68.9	-1925.9
Car Registration MM*	GB	20-Feb 12:30	Jan	-9.9	
Car Registration YY*	GB	20-Feb 12:30	Jan	9.8	
Current Account NSA, EUR*	EU	20-Feb 14:30	Dec	31.70	
Current Account SA, EUR*	EU	20-Feb 14:30	Dec	24.600	
Leading Index Chg MM*	US	20-Feb 20:30	Jan	-0.1	-0.3
Foreign Bond Investment	JP	21-Feb 05:20	w/e	1499.3	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0775	1.0789	1.076	1.0777	0.03%
GBP	1.2599	1.2629	1.258	1.2593	-0.04%
JPY	150.08	150.23	149.86	150.11	-0.07%
TRY	0.0324	0.0325	0.0322	0.0324	0.00%
Dollar Idx	104.275	104.373	104.14	104.291	0.00%
Brent	83.28	83.6	82.55	83.56	0.11%
WTC	78.35	79.69	78.07	79.65	0.00%
Gold	2012.9	2022.79	2011.1924	2017.6252	0.22%
KWSE Index	7303.08	7353.44	7281.93	7353.37	0.66%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.50	3M	4.31
SW	3.81	6M	4.56
1M	4.06	1Y	4.75

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30775

-0.16%

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	5.58
SW	0.00	6M	5.66
1M	5.43	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	25-Jan-'24	4.50	4.50	0.00
BOE Bank Rate	01-Feb-'24	5.25	5.25	0.00
BOJ Prime Rate	09-Feb-'24	1.50	1.40	0.10
TRY ON Lending Rate	26-Jan-'24	46.50	44.00	2.50

KEY INTERNATIONAL STORIES

US consumer sentiment steady in February

WASHINGTON, Feb 16 (Reuters) - U.S. consumer sentiment was little changed in February while one-year inflation expectations ticked up, a survey showed on Friday. The University of Michigan's preliminary reading on the overall index of consumer sentiment came in at 79.6 this month, compared to 79.0 in January. Economists polled by Reuters had forecast a preliminary reading of 80.0. The survey's reading of one-year inflation expectations edged up to 3.0% this month from 2.9% in January. Near-term inflation expectations are within the 2.3%-3.0% range seen in the two years prior to the COVID-19 pandemic. The survey's five-year inflation outlook was unchanged at 2.9% for the third straight month.

UK property prices show first annual rise since August - Rightmove

LONDON, Feb 19 (Reuters) - The prices of homes being put up for sale in Britain have risen in annual terms for the first time in six months as demand from buyers strengthened, according to an industry survey that added to signs of stabilisation in the housing market. Property website Rightmove said on Monday that asking prices for homes rose 0.1% in February compared a year earlier, the first annual increase since August 2023. Prices increased by 0.9% from January, broadly in line with the 10-year average of a monthly 1.0% rise in February. A measure of agreed sales in the first six weeks of 2024 was up 16% from a year earlier and was 3% higher compared with 2019, before the coronavirus pandemic, Rightmove said.

German homes are still overvalued despite price drop - Bundesbank

FRANKFURT, Feb 19 (Reuters) - German homes are still overvalued despite a fall in prices last year as the cost of mortgages spiked, the country's central bank said on Monday. Germany's decade-long property boom has unravelled since a sudden bout of inflation forced the European Central Bank (ECB) to hike interest rates, while the domestic economy was hit by more expensive energy imports and sluggish exports. The price of owner-occupied residential property fell by just over 4% last year according to industry data. The German statistics office put the decline at 8.9% for the first nine months of the year.

Japan Dec core machinery orders rise, recovery seen limited

TOKYO, Feb 19 (Reuters) - Japan's core machinery orders in December rose slightly more than expected but remained down year-on-year, government data showed on Monday, although further gains are expected to be capped by global and domestic headwinds. Core orders, a highly volatile data series regarded as a leading indicator of capital spending in the coming six to nine months, went up 2.7% in December from the previous month, Cabinet Office data showed. That compared with the median forecast for a 2.5% rise by economists in a Reuters poll. On a year-on-year basis, core orders, which exclude volatile numbers from shipping and electric utilities, declined 0.7%, smaller than the forecast 1.4% fall.

Mexican headline inflation seen slowing in early February

MEXICO CITY, Feb 19 (Reuters) - Mexico's headline inflation rate likely eased in the first half of February, a Reuters poll showed on Monday, reinforcing bets that the country's central bank could soon lower its key benchmark interest rate for the first time since 2021. A median forecast of 13 analysts predicted that the annual headline inflation rate would settle at 4.70% for the first 15 days of the month, which would mark the continuation of a downward trend that was briefly interrupted at the end of last year. The closely watched core inflation index is seen falling to 4.67% in early February, its lowest level since July 2021. On a month-over-month basis, Mexico's consumer prices were seen rising 0.15% in the first half of February, with core inflation up 0.28%.

Oil prices hover near 3-week highs on Middle East tensions, China demand

BEIJING/SINGAPORE, Feb 20 (Reuters) - Oil prices were broadly steady on Tuesday, hovering close to three-week highs on heightened Middle East tensions and recovering China demand. Brent futures ticked down 11 cents to \$83.45 a barrel. U.S. West Texas Intermediate (WTI) crude for April delivery inched down 11 cents to \$78.35 a barrel. The March WTI contract rose 36 cents to \$79.55 a barrel as traders prepared for that contract to expire during the day. Crude markets were "marginally lower" in "quiet trading over the Presidents' Day holiday in the U.S. and as demand concerns offset ongoing Middle Eastern geopolitical tensions," IG market analyst Tony Sycamore said in a note.

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