



بيت التمويل الكويتي
Kuwait Finance House



Market Commentary

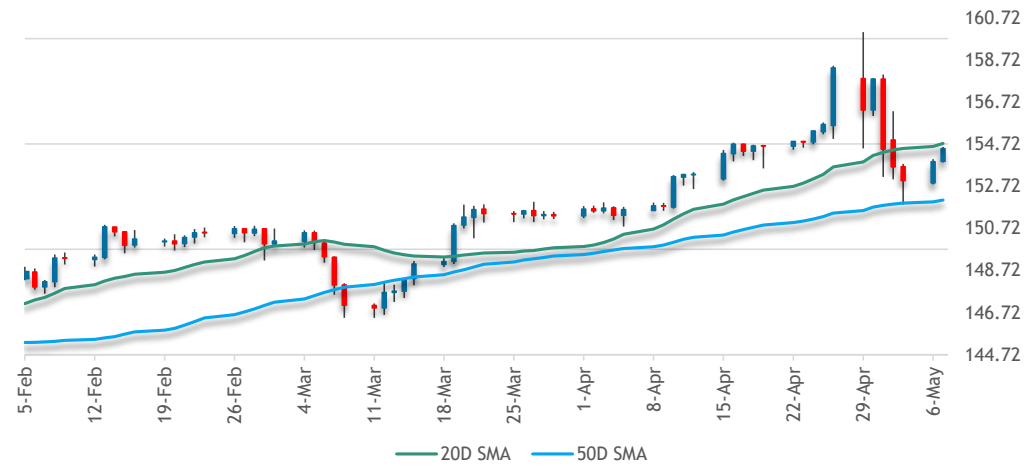
KFH Treasury



Report produced on
Tue, 07-May-2024

Forex Market

JAPANESE YEN



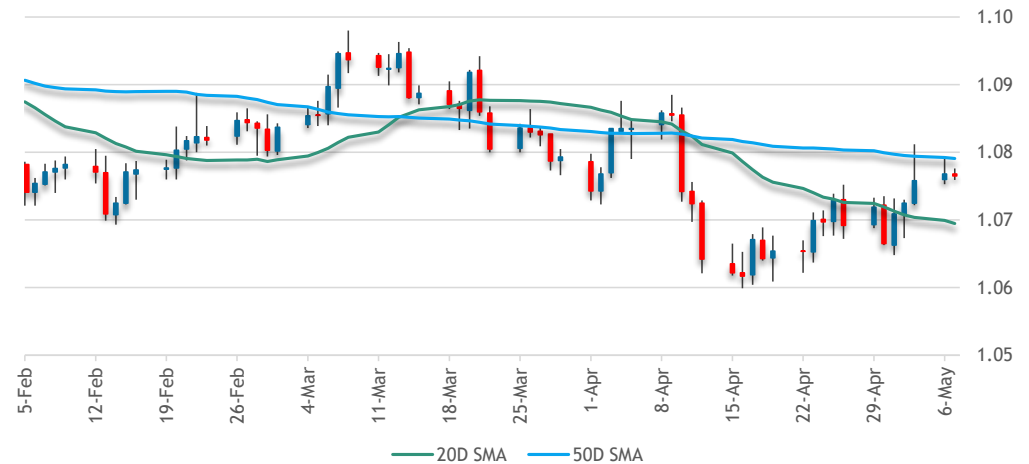
CLOSE **153.88** 1M %chg **1.50%** 3M %chg **4.02%**

USD/JPY, JPY crosses bid on pent-up importer demand - Reuters

07 May 2024 07:33:27 AM

- * USD/JPY, JPY crosses bid, pent-up Japanese importer post-Golden Week demand
- * USD/JPY 153.88 to 154.59 EBS, demand into and post-Tokyo fix
- * USD/JPY to 154.56 descending 100-HMA, hourly Ichi cloud 153.05-154.07 below
- * Specs eyeing Fibo 38.2% of 160.24-151.86 at 155.06, 50% retracement 156.05
- * With Fibo 61.8% retracement at 157.04, good resistance each big fig higher
- * Japan Apr services PMI strong at 54.3 (flash 54.6)

EURO



CLOSE **1.0768** 1M %chg **-0.62%** 3M %chg **0.13%**

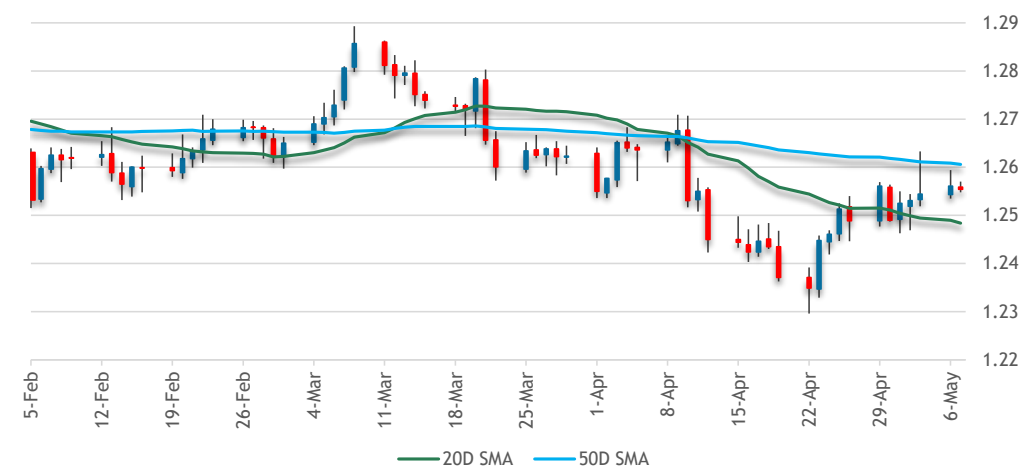
EUR/USD-Firm after Friday's payrolls, ISM misses, improving EZ data, US CPI next - Reuters

06 May 2024 10:01:07 PM

- * EUR/USD rose 0.1%, but is still below Friday's 1.08125 high on EBS
- * That high at the dn TL from March hit after NFP, ISM misses
- * Some euro support Monday from EZ PMI beat and Sentix improvement
- * Another cluster of resistance is by 1.0840 & April's 1.0885 high
- * Recovery from April's low may need cool US CPI, sales on May 15
- * If those data are dovish, a run to 1.1000 tech targets is possible
- * Little impact from Fed's SLOOS and Fed comments on Monday

Forex Market

POUND STERLING



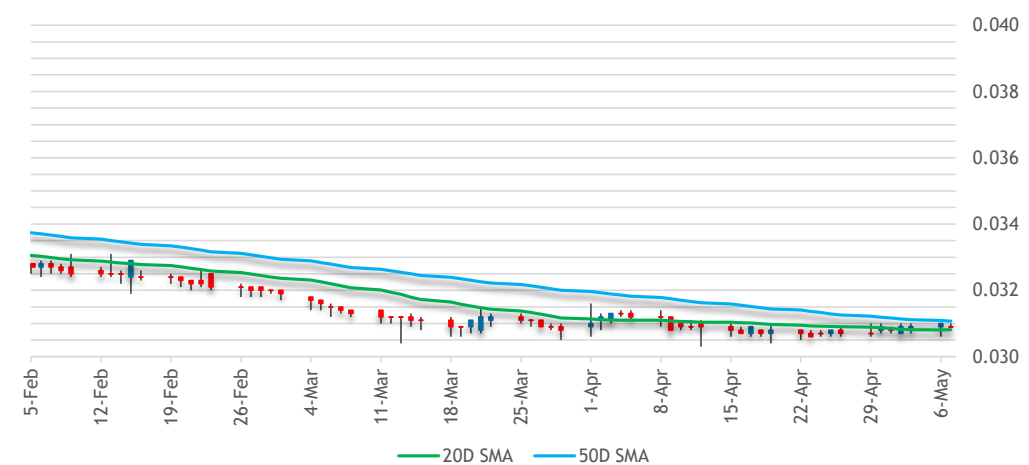
CLOSE **1.2561** 1M %chg **-0.59%** 3M %chg **-0.29%**

Sterling mired within Friday's post-payrolls range, awaits BoE Thursday - Reuters

06 May 2024 10:03:06 PM

- * GBP\$ firm into NY close, +0.16% at 1.2566; Monday range 1.2593-39
- * Early NY bid ebbs into close; support holds ahead of Friday's post-ISM low
- * Eyes on flash high as sterling builds momentum
- * GBP flows light owing to May Day, Early May Bank Holiday
- * Next key event BoE rate decision May 9; vote count in focus for dovish hints
- * Support at 1.2536's 30-DMA, 1.2467 daily low May 1, 1.2449 daily low Apr 26
- * Res 1.2593 Monday high, 1.2596 50% Fib 1.2894-1.2299, 1.2644 100-DMA caps
- * Post-BoE markets focus shifts to U.S. CPI May 15, UK CPI May 22

TURKISH LIRA



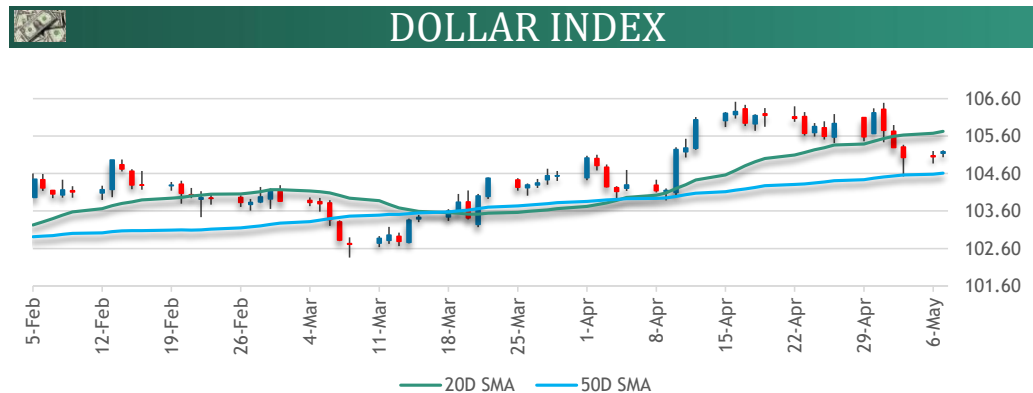
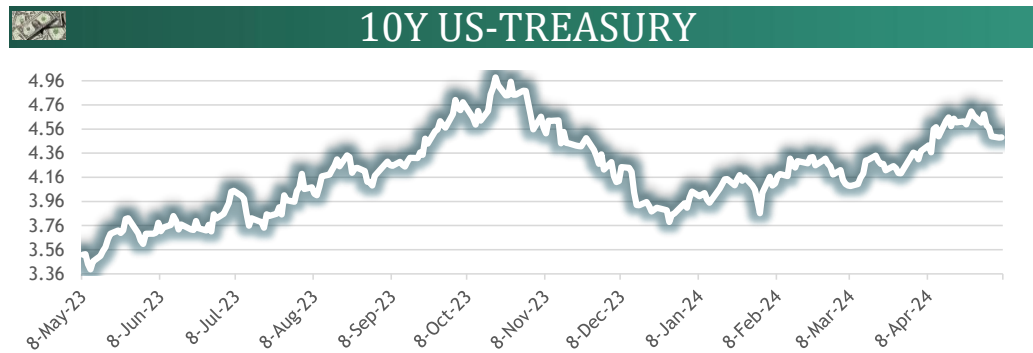
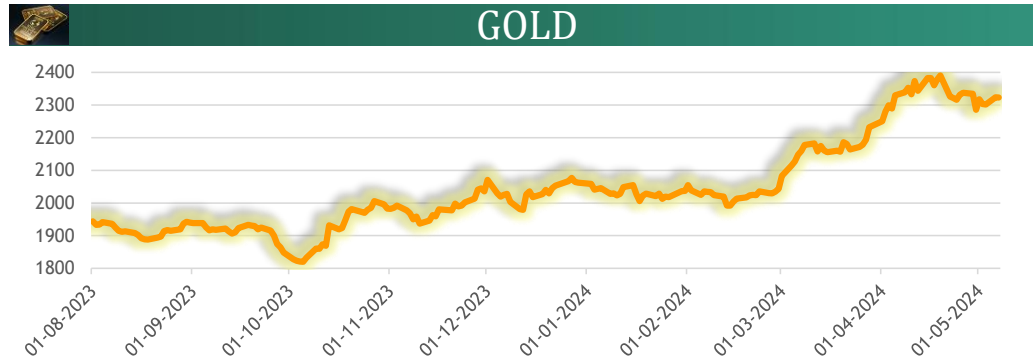
CLOSE **0.0310** 1M %chg **-0.64%** 3M %chg **-5.49%**

Turkey - Factors To Watch

07 May 2024 08:58:06 AM

ISTANBUL, May 7 (Reuters) - The lira was quoted at 32.2700 against the U.S. dollar, compared with a close of 32.3050 on Monday. The main BIST 100 share index closed 0.095% lower at 10,267.09 points on Monday.

Gold, US Treasury & Dollar Index



US 10YT YIELD

4.49

1M %chg

2.54%

3M %chg

9.70%

PRECIOUS-Gold holds ground on US rate-cut bets, Middle East woes - Reuters News

07 May 2024 08:07:34 AM

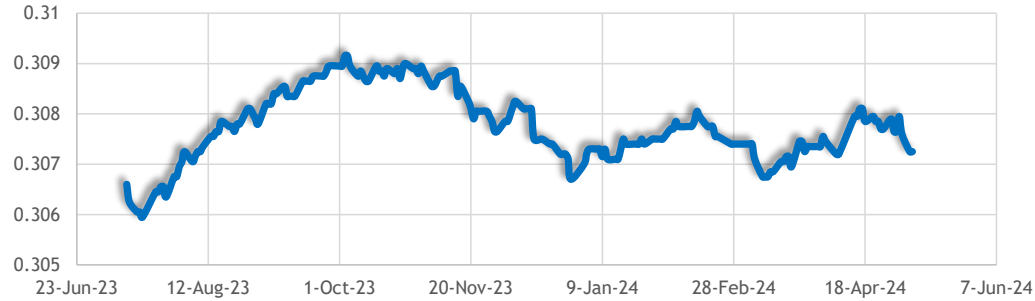
May 7 (Reuters) - Gold prices held steady on Tuesday, buoyed by bets that the U.S. Federal Reserve would cut interest rates later this year and firm safe-haven demand for bullion as Gaza ceasefire remains uncertain. Spot gold was flat at \$2,322.79 per ounce, after rising over 1% in the previous session. U.S. gold futures was unchanged at \$2,331.20. "Gold has been slowly building a base for the past week, to show demand sits around \$2,280. The Fed continue to make noise about the next move likely to be lower, and that's certainly helped shake a few bears out at these lows," said City Index senior analyst Matt Simpson. Fed Bank of New York President John Williams said on Monday that at some undefined point the U.S. central bank will lower its interest rate target. Traders are pricing in a 65% chance of a Fed rate cut in September, as per CME's FedWatch Tool. Lower rates increase the appeal of holding non-interest bearing gold. Spot silver fell 0.4% to \$27.35 per ounce. Platinum gained 1% to \$963.60 and palladium firmed 0.5% to \$982.18.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Consumer Credit*	US	07-May 00:30	Mar	14.12	15.00
JibunBK SVC PMI Final SA *	JP	07-May 06:00	Apr	54.6	
Halifax House Prices MM*	GB	07-May 11:30	Apr	-1	
Halifax House Prices YY*	GB	07-May 11:30	Apr	0.30	
S&P Global CONSTRUCTION PMI	GB	07-May 14:00	Apr	50.2	50.2
Retail Sales MM*	EU	07-May 14:30	Mar	-0.5	0.7
Retail Sales YY*	EU	07-May 14:30	Mar	-0.7	-0.2
Redbook YY *	US	07-May 18:25	w/e	5.5	
RICS Housing Survey*	GB	08-May 04:31	Apr	-4	-2
Overall Lab Cash Earnings	JP	08-May 05:00	Mar	1.8	
Overtime Pay*	JP	08-May 05:00	Mar	-1	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.076	1.079	1.0753	1.0768	0.09%
GBP	1.2543	1.2594	1.2535	1.2561	0.14%
JPY	152.87	154	152.8	153.88	0.59%
TRY	0.0309	0.031	0.0306	0.031	0.32%
Dollar Idx	105.076	105.202	104.867	105.051	0.02%
Brent	82.99	83.83	82.77	83.33	0.45%
WTC	80.38	80.6	79.51	80.1	0.56%
Gold	2302	2331.8	2291.6279	2323.5674	0.96%
KWSE Index	7043.74	7057.02	7029.45	7040.42	-0.05%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.38	3M	4.31
SW	3.75	6M	4.50
1M	4.00	1Y	4.69

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

3M% CHG

0.30725

-0.19%

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	5.59
SW	0.00	6M	5.74
1M	5.44	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	11-Apr-'24	4.50	4.50	0.00
BOE Bank Rate	21-Mar-'24	5.25	5.25	0.00
BOJ Prime Rate	08-Mar-'24	1.60	1.50	0.10
TRY ON Lending Rate	21-Mar-'24	53.00	46.50	6.50

KEY INTERNATIONAL STORIES

Fed's Williams says next Fed move likely to be lower rates

May 6 (Reuters) - Federal Reserve Bank of New York President John Williams said Monday that at some undefined point the U.S. central bank will lower its interest rate target. "Eventually we'll have rate cuts" but for now monetary policy is in a "very good place," Williams said in comments made before the Milken Institute 2024 Global Conference in Beverly Hills, California. The comments Monday followed last week's Federal Open Market Committee meeting. There, officials maintained their overnight target at between 5.25% and 5.5%, while signaling it's likely to stay there for some undefined period while they seek out additional evidence inflation is retreating back to target.

UK consumer spending softens in April, surveys show

May 7 (Reuters) - British consumers kept a tight rein on their spending last month, according to surveys on Tuesday that showed tepid activity even after accounting for the timing of the Easter holidays. Barclays said annual growth in consumer spending on its payment cards slowed to 1.6% in April, its weakest since February 2021, down from 1.9% in March and effectively a fall after adjusting for inflation. Retail sales values, not adjusting for inflation, fell by 4.0% year-on-year in April, after a 3.5% rise in March. Taking March and April together, sales were up 0.2% compared with a year earlier. The surveys underlined the outlook for only tepid economic growth in Britain, despite business surveys recently pointing to some upside.

German deficit forecast at 1.75% in 2024, says stability council

BERLIN, May 6 (Reuters) - Germany's general government deficit is forecast to be around 1.75% of gross domestic product in 2024, falling to around 1% in the next year, said the German stability council, which coordinates federal government and state finances. The structural government deficit, which is adjusted for cyclical and certain one-off effects, is expected to be around 1.25% of GDP in 2024, falling to around 0.75% in 2025 and rising again slightly in the following two years, the council added on Monday. The German government forecasts 0.3% gross domestic product growth this year.

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Japan's service activity extends gains on solid demand, PMI shows

TOKYO, May 7 (Reuters) - Japanese service sector activity grew at the fastest pace in eight months in April thanks to solid business and consumer spending, a private survey showed on Tuesday, results that should keep the central bank on track to hike rates again this year. The final Jibun Bank Service purchasing managers' index (PMI) rose to 54.3 last month, the highest level since August 2023, and up slightly from 54.1 in March. The index has remained above the 50-mark that separates contraction from expansion since September 2022, but it edged down from the flash reading of 54.6. The composite PMI, which combines the manufacturing and service activity figures, expanded to 52.3 in April, the highest level since August 2023, from 51.7 in March.

Mexico's inflation seen ticking up in April as core figure declines

MEXICO CITY, May 6 (Reuters) - Mexico's headline inflation should have ticked up in April even as the core inflation index eases, a Reuters poll showed on Monday, backing up expectations that the central bank will hold its benchmark interest rate steady at its next board meeting. The median estimate of 13 analysts predicted headline inflation for Latin America's second-largest economy should be 4.63% for last month, up from 4.42% in March but well below the two-decade peak of 8.7% hit in 2022. Mexico's central bank, known as Banxico, has an inflation target range of 3%, plus or minus one percentage point. According to the Reuters poll, headline prices in April would have edged up 0.18% compared to the previous month and core prices would have risen 0.24%.

Oil climbs after Israel strikes Gaza, truce talks continue - Reuters News

SINGAPORE, May 7 (Reuters) - Oil prices edged higher on Tuesday after Israel struck Rafah in Gaza, while negotiations for a ceasefire with Hamas continued without resolution. Brent crude futures were up 23 cents, or 0.28%, at \$83.56 per barrel, while U.S. West Texas Intermediate (WTI) crude futures rose 24 cents, or 0.31%, to \$78.72 a barrel. U.S. crude oil and product stockpiles were expected to have fallen last week, a preliminary Reuters poll showed on Monday. The crude inventories could have on average fallen by about 1.2 million barrels in the week to May 3, based on analyst forecast. Oil prices had settled higher on Monday, partially reversing last week's declines.