



بيت التمويل الكويتي  
Kuwait Finance House



# Market Commentary

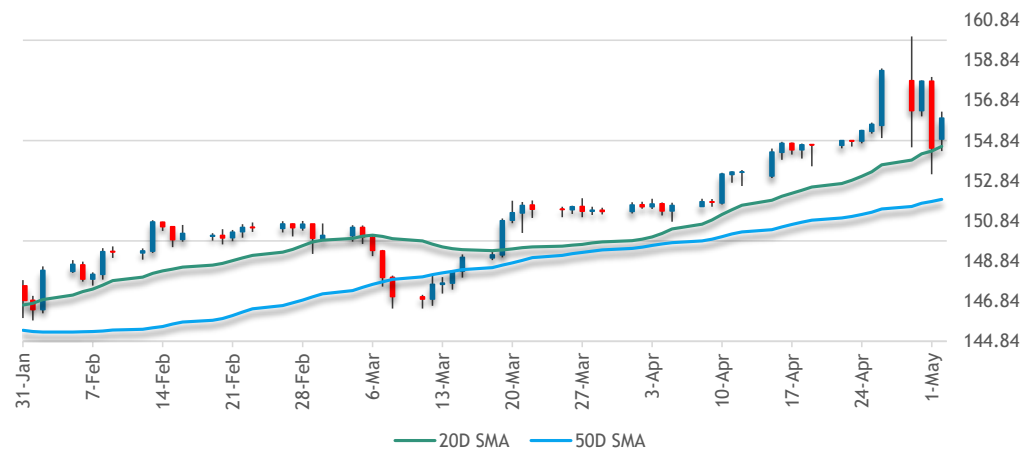
## KFH Treasury



*Report produced on*  
**Thu, 02-May-2024**

# Forex Market

## JAPANESE YEN



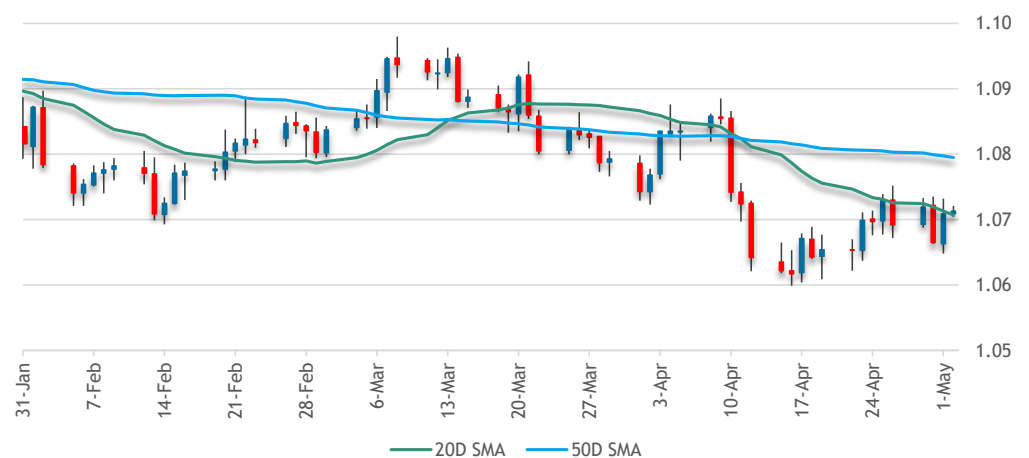
CLOSE **154.47** 1M %chg **1.87%** 3M %chg **5.50%**

### USD/JPY-Continues to edge higher after Wednesday's slump - Reuters

02 May 2024 06:00:48 AM

- \* USD/JPY trades 1.05% higher in Tokyo after the late 2.2% fall post-FOMC
- \* BOJ March minutes - long-term interest rates should be set by markets
- \* Fed is concerned by recent inflation data - remains data-driven on cuts
- \* The short-term outlook for yield differentials is they will remain wide
- \* If the USD/JPY fall was the BOJ - they are in a guerrilla war with markets
- \* Charts 5, 10 & 21 DMAs head gently higher with 21-day Bollinger bands
- \* A positive setup - next resistance is 156.62, 50% of this week's fall
- \* Earlier 154.15 low the Wednesday's 153.00 base are initial supports

## EURO



CLOSE **1.0709** 1M %chg **-0.32%** 3M %chg **-1.50%**

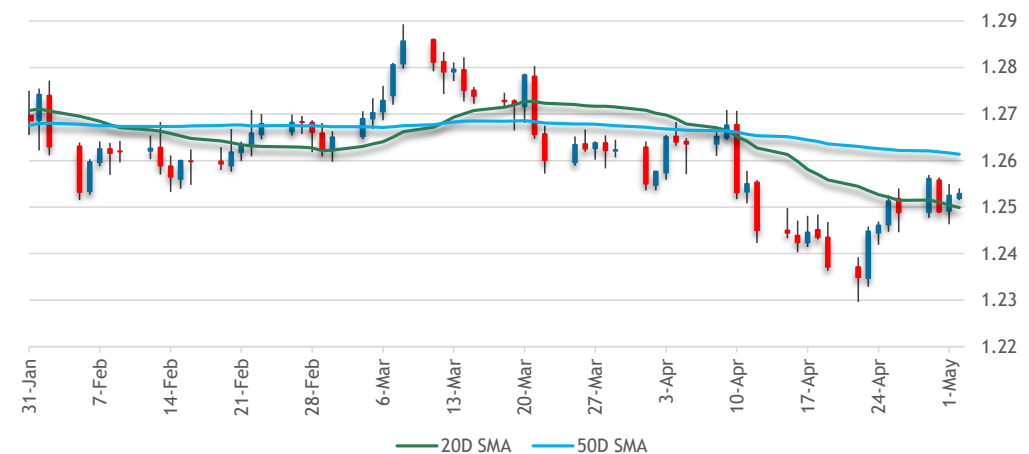
### EUR/USD-US dollar softer after ADP report, ahead of Fed, data risks - Reuters

01 May 2024 04:36:48 PM

- \* EUR/USD hit 1.06498 on EBS in Europe, NY opened near 1.0670, rally extended
- \* US yields US2YT=RR, US\$ were soft despite above estimate April ADP report
- \* Drop in USD/CNH and rally in gold XAU= reinforced US\$ weakness
- \* EUR/USD rallied to 1.0682, traded up +0.13% after US Treasury QRA report
- \* EUR/USD lift stalled near the 10-DMA but daily techs send warnings to shorts
- \* RSI diverged on the 6-session low, daily bull hammer candle formed
- \* March JOLTS, April S&P Global & ISM mfg PMIs remain key data risks
- \* Fed statement, Chair Powell's presser may impact risk significantly

# Forex Market

## POUND STERLING



CLOSE **1.2525** 1M %chg **-0.20%** 3M %chg **-1.70%**

### GBP/USD holds below 1.25 ahead of FOMC event risk - Reuters

01 May 2024 02:29:58 PM

\* Cable has traded a 30.5 pip range since London open; 1.2467 = session low

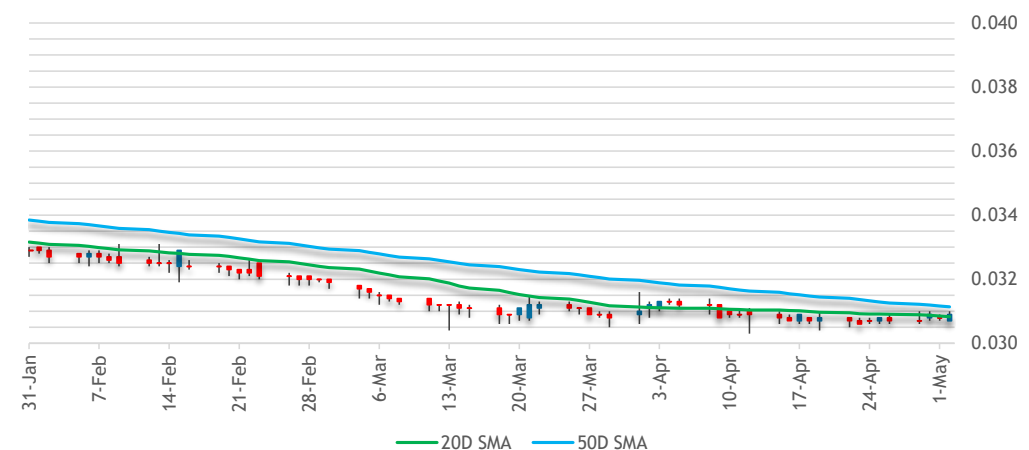
\* 1.2467 is also intra-week low (1.2466 is 38.2% Fibo of 1.2299-1.2569)

\* Fed event risk from 1800 GMT; hawkish hold expected

\* GBP/USD might drop towards 1.2400 on ultra-hawkish Fed/Powell

\* UK April manufacturing PMI upwardly revised to 49.1 from 48.7 flash estimate

## TURKISH LIRA



CLOSE **0.0308** 1M %chg **-0.65%** 3M %chg **-6.38%**

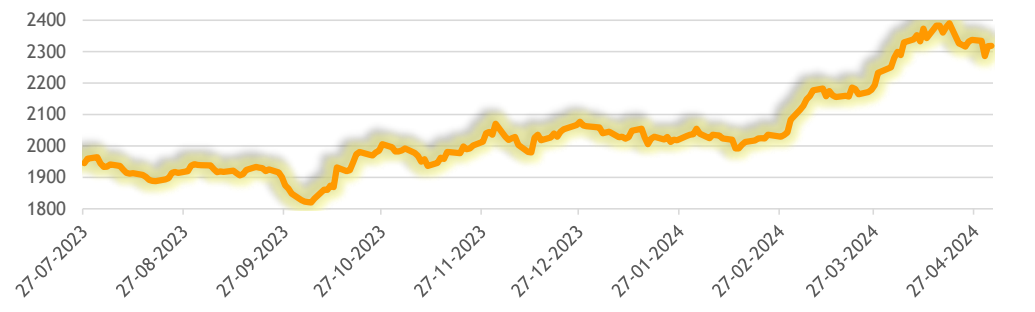
### Turkey raises tax on deposits, retains advantages of long term deposits, official gazette says

01 May 2024 01:14:56 PM

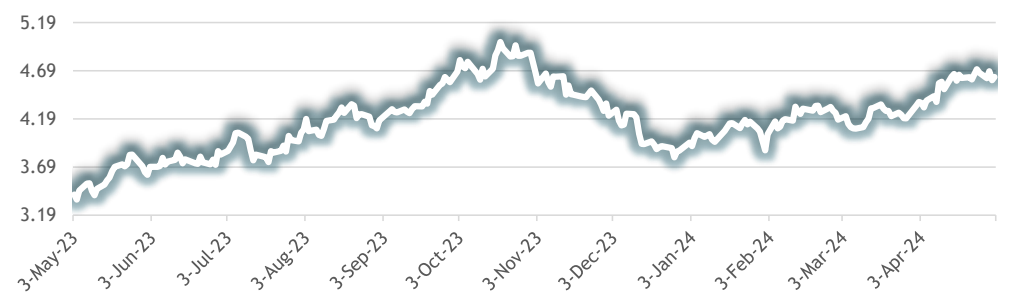
ISTANBUL, May 1 (Reuters) - Turkey raised withholding tax on lira deposit income and money market funds, according to a regulation published in the official gazette on Wednesday. The measure partially rolls back tax support given to lira deposits introduced four years ago, while retaining tax advantages provided to long term deposits. Withholding tax for deposits up to six months was raised from 5% to 7.5%, and for deposits longer than a year in duration was raised from zero to 2.5%. Withholding tax for money market funds was raised from zero to 7.5%, removing the tax advantage enjoyed by the funds.

# Gold, US Treasury & Dollar Index

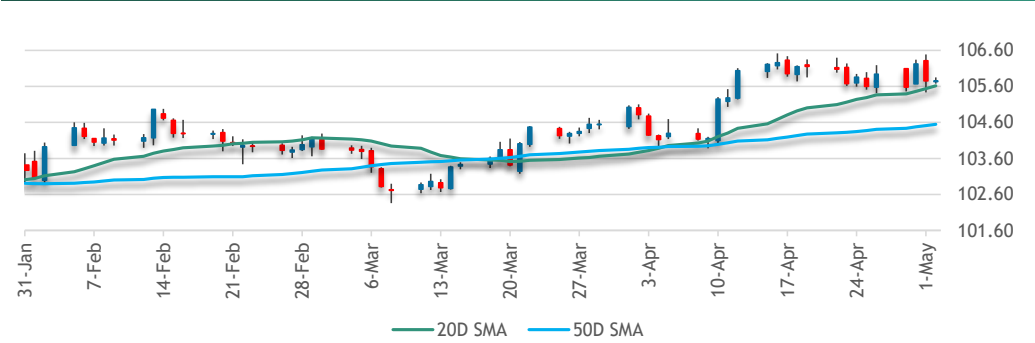
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.62**

1M %chg

**6.05%**

3M %chg

**18.85%**

### PRECIOUS-Gold prices flutter higher as Fed holds rates steady - Reuters News

02 May 2024 06:29:11 AM

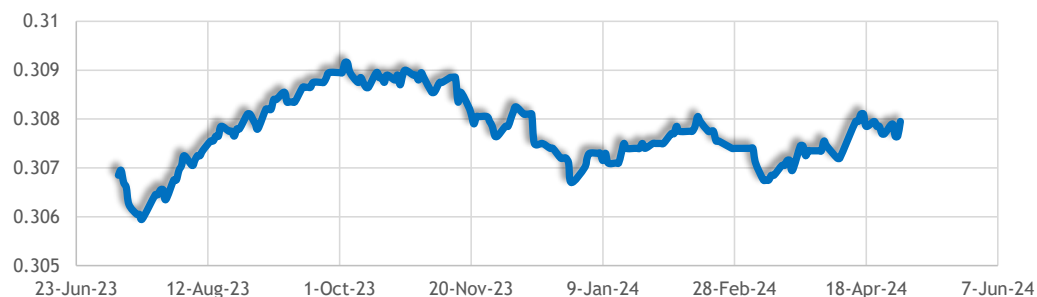
May 2 (Reuters) - Gold prices edged higher for a second straight session on Thursday after the Federal Reserve indicated that it is still leaning toward eventual rate cuts, while investors' focus pivoted toward the U.S. non-farm payrolls data. Spot gold XAU= firmed 0.3% at \$2,325.02 per ounce, after climbing over 1% in the previous session. U.S. gold futures GCcv1 rose 1% to \$2,334.40. Lower interest rates increase the appeal of holding non-yielding bullion. "What traders would love to see now is a softer set of NFP figures... We're fast approaching the second half of the year, and in all the time central banks continue to pile into physical gold, I suspect gold can hold above \$2,000 for the remainder of the year and break above \$2,500," Simpson added. Spot silver XAG= rose 0.4% to \$26.75 per ounce. Platinum XPT= gained 1% to \$959.40 after hitting a two-week high earlier in the session. Palladium XPD= advanced 0.5% to \$953.30.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Consumer Confid. Index*	JP	02-May 10:30	Apr	39.5	
HCOB Mfg Final PMI	EU	02-May 13:30	Apr	45.6	45.6
Challenger Layoffs	US	02-May 17:00	Apr	90.309	
Goods Trade Balance (R) *	US	02-May 18:00	Mar	-91.83	
Initial Jobless Clm*	US	02-May 18:00	w/e	207	212
Jobless Clm 4Wk Avg*	US	02-May 18:00	w/e	213.25	
Cont Jobless Clm*	US	02-May 18:00	w/e	1.781	1.797
Unit Labor Costs Prelim *	US	02-May 18:00	Q1	0.4	3.3
Productivity Prelim*	US	02-May 18:00	Q1	3.2	0.8
International Trade \$ *	US	02-May 18:00	Mar	-68.9	-69.1
Durables Ex-Def, R MM *	US	02-May 19:30	Mar	2.3	

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.0663	1.0732	1.0648	1.0709	0.41%
GBP	1.2492	1.255	1.2463	1.2525	0.28%
JPY	157.8	158.01	153.16	154.47	-2.11%
TRY	0.0308	0.0309	0.0307	0.0308	-0.32%
Dollar Idx	106.315	106.49	105.435	105.755	-0.44%
Brent	85.8	85.89	83.29	83.44	-5.03%
WTC	82.36	83.17	80.43	80.7	-3.34%
Gold	2285.4099	2328.17	2281.4705	2317.895	1.41%
KWSE Index	7040.75	7046.96	7020.64	7025.42	-0.36%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.38	3M	4.31
SW	3.81	6M	4.50
1M	4.06	1Y	4.69

## CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

**0.30795**

3M% CHG

**0.15%**

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	5.43	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	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

### US job openings slide to three-year low as demand for labor gradually eases

WASHINGTON, May 1 (Reuters) - U.S. job openings fell to a three-year low in March, while the number of people quitting their jobs declined, signs of easing labor market conditions that over time could aid the Federal Reserve's fight against inflation. Falling goods prices were the major driver of the moderation in inflation last year. With price pressures picking up in the first quarter, the surge in input costs is unwelcome news. Fed officials on Wednesday kept the U.S. central bank's benchmark overnight interest rate unchanged in the current 5.25%-5.50% range, where it has been since July.

### UK factories slip back into downturn as cost pressures rise, PMI shows

LONDON, May 1 (Reuters) - British manufacturing fell back into contraction in April and cost pressures escalated, although the pace of decline was a little less marked than first feared, a survey showed on Wednesday. The S&P Global UK Manufacturing Purchasing Managers' Index (PMI) fell in April to 49.1. While higher than a preliminary "flash" estimate of 48.7, it fell from 50.3 in March, its first month above the 50 threshold for growth since July 2022. The performance of manufacturing, which accounts for just under 10% of British economic output, contrasts with the much larger services sector, where growth accelerated last month.

### Canadian factory PMI falls in April as downturn hits one year - Reuters News

TORONTO, May 1 (Reuters) - Canadian manufacturing activity slowed in April, extending a lengthy period of contraction for the sector, as output and new orders fell at an accelerated pace and inflation pressures picked up, data showed on Wednesday. The S&P Global Canada Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 49.4 in April from 49.8 in March, staying below the 50 threshold for the 12th straight month, the longest such stretch in data going back to October 2010. The output index fell to 49.1 from 49.7 in March and the new orders measure was at 48.4, down from 49.4.

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### Australia March goods trade surplus narrows to more than 3-year low - Reuters

SYDNEY, May 2 (Reuters) - Australia's surplus on trade goods narrowed to a more than three-year low in March as exports of coal and coke fell while imports of textile and clothes jumped, data showed. The Australian Bureau of Statistics reported the balance on goods fell to A\$5.02 billion (\$3.27 billion), the lowest since November 2020. That compared with a downwardly revised A\$6.6 billion in February and came in short of market forecasts of A\$7.3 billion. Exports rose just 0.1% in the month, weighed by a 7.5% drop in coal, coke and briquettes, while imports climbed 4.2%, led by increases in consumption and capital goods.

### Mexico budget deficit under control, finance official says

MEXICO CITY, April 30 (Reuters) - Mexico's budgetary deficit is under control and not putting pressure on the economy, Deputy Finance Minister Gabriel Yorio said, after official numbers showed economic growth lost some steam on a yearly basis. Preliminary estimates from the country's national statistics agency INEGI showed Latin America's second-largest economy had grown only 0.2% from the previous quarter, which was stronger than forecasters had expected. It grew 1.6% versus a year earlier, the numbers showed, slowing from the 2.5% posted in the previous quarter, and below the projected 2.1%. Even so, new numbers mark the tenth consecutive quarter of growth.

### Oil prices rebound on prospect of US replenishing strategic reserve - Reuters News

NEW DELHI, May 2 (Reuters) - Oil prices rose on Thursday, rebounding from three days of losses, on expectations the lower levels may prompt the U.S., the world's biggest crude consumer, to start replenishing its strategic reserve, putting a floor under prices. Brent crude futures for July gained 48 cents, or 0.6%, to \$83.92 a barrel on Thursday. U.S. West Texas Intermediate (WTI) crude CLc1 for June climbed 46 cents, or 0.6%, to \$79.46 a barrel. The U.S. Energy Information Administration (EIA) said crude inventories rose by 7.3 million barrels to 460.9 million barrels in the week ended April 26, compared with analysts' expectations in a Reuters poll for a 1.1 million-barrel draw.