

Foreign Exchange Development

The dollar skidded to multi-month lows after U.S. core inflation hit its slowest in three years, pulling forward expectations for rate cuts in the world's biggest economy and drawing bets that the U.S. currency may have peaked, for now.

The Australian dollar, which had surged 1%, hit a four-month high at \$0.6714 but then paused after an unexpected rise in Australian unemployment. It was last at \$0.6687.

The euro edged up to a two-month high at \$1.0895. The New Zealand dollar also hit a two-month high at \$0.6140. Sterling made a one-month high at \$1.27.

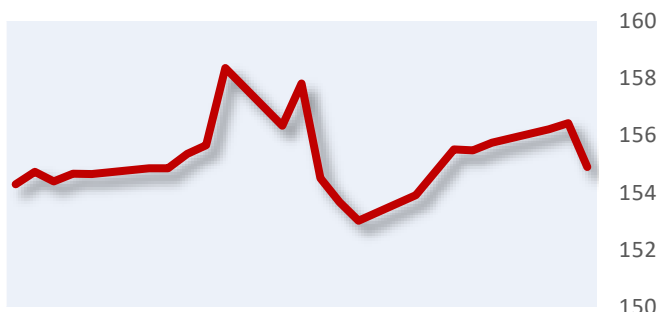
Oil prices extended gains from the previous session on signs of stronger demand in the U.S. where data showed slower inflation than markets expected, bolstering the argument for an interest rate cut which could drive even greater consumption.

Gold prices inched up following a sharp rise in the last session as the dollar and bond yields weakened on the increasing likelihood of rate cuts by the U.S. Federal Reserve as early as September.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.0885	2.03	0.99	-1.40
GBP/USD	1.2689	1.54	0.67	-0.37
USD/CHF	0.9009	-2.05	2.27	7.01
USD/JPY	153.98	-2.43	2.50	9.15
AUD/USD	0.6682	3.23	2.30	-1.89
USD/CAD	1.3609	-1.23	0.92	2.74
USD INDEX	104.23	-1.88	-0.06	2.86
Gold	Silver	KWT OSP	Brent	WTI
2394.50	29.66	85.41	82.91	80.43

USD/JPY - 1 Month



Economic Updates

Japan's economy fell faster than expected in the first quarter as the weak yen continued to batter consumers, throwing a fresh challenge to the central bank's push to get interest rates further away from near zero.

U.S. consumer prices increased less than expected in April, suggesting that inflation resumed its downward trend at the start of the second quarter. The consumer price index rose 0.3% last month after advancing 0.4% in March and February.

Stress in the euro zone market for home loans is "manageable" despite higher interest rates stretching borrowers and lax checks by some banks, the European Central Bank said.

Saudi Arabia's annual inflation rate held at 1.6% in April, the same as the previous month, government data showed, underpinned once again by an increase in housing rents.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	39,908.00	349.89	5.53	5.89
FTSE 100	8,445.80	17.67	3.70	9.21
KUWAIT ALL	7,175.51	-19.83	1.77	5.25

Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	5.32055	5.32933	5.29573	5.15640
EURIBOR	3.8380	3.8240	3.7990	3.6380
KIBOR	4.0625	4.2500	4.5000	4.6875
SAIBOR	5.89532	6.22116	6.05558	5.93854

Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	5.067	4.497	4.329	4.321

Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	4.375	4.500	4.625
SOFR	5.310			

Country	KWT	US	EURO	UK
INT. RATES	4.250	5.500	4.00	5.250

Upcoming Indicators / Events

	Country	Indicator Name	Prior	Forecast
16May	United States	Housing Starts Number	1.32	1.4233
16May	United States	Initial Jobless Clm	231.00	218.8
16May	United States	Industrial Production MM	0.40	0.13
17May	Euro Zone	HICP Final YY	2.40	2.4
22May	United States	Existing Home Sales	4.19	4.183
23May	United States	New Home Sales-Units	0.69	0.6747
24May	United States	Durable Goods	2.60	0.91

Source: Reuters and Bloomberg

