Daily Market Commentary Gulf Bank Treasury Sales Desk

CBK USD/KWD 0.30655 0.30665

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 fourmonth 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



May 16, 2024

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									
Inde	Index Price		Change	МТ	0%	YTD%			
DOWJO	NES	39,908.0	00 349.89	5.5	3	5.89			
FTSE 10	00 8,445.8		0 17.67	3.7	0	9.21			
KUWAIT	T ALL 7,175.5		1 -19.83	1.7	7	5.25			
Benchr	Benchmark		h 3 Month	6 Mo	nth	12 Month			
TERM S	TERM SOFR		5 5.32933	5.29	573	5.15640			
EURIBO	URIBOR 3		3.8240		90	3.6380			
KIBOR		4.0625	4.2500	4.50	00	4.6875			
SAIBOR	1	5.8953	2 6.22116	6.05	558	5.93854			
Benchr	nchmark 1 Ye		r 3 Year	5 Year		10 Year			
US TRS	US TRSY 5.		4.497	4.497 4.329		4.321			
Benchr	Benchmark		3 Month	3 Month 6 Month		12 Month			
СВК ВС	K BOND -		4.375	4.5	00	4.625			
SOFR		5.310	10						
Country		KWT	US	EUF	२०	UK			
INT. RA	INT. RATES		5.500		0	5.250			
Upcoming Indicators / Events									
	Co	untry	Indicator Na	ame	Prior	Forecast			
16May	United States		Housing Starts N	lumber	1.32	1.4233			
16May	United States		Initial Jobless Clm		231.00	218.8			
16May	United States		Industrial Product	ion MM	0.40	0.13			
17May	Euro	o Zone	HICP Final	ſY	2.40	2.4			
22May	Unite	d States	Existing Home	Sales	4.19	4.183			
23May	Unite	d States	New Home Sales	s-Units	0.69	0.6747			
24May	United States		Durable Goo	ds	2.60	0.91			
Source: Reuters and Bloomberg									

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