

Daily Market Commentary

Gulf Bank Treasury Sales Desk



CBK USD/KWD

0.30595

0.30605

October 15, 2024

Foreign Exchange Development

The U.S. dollar was perched at an over two-month high against major currencies on Tuesday, spurred by wagers the Federal Reserve will proceed with modest rate cuts in the near term, while the yen inched closer to the key 150 per dollar level.

The euro was steady in early Asian hours but close to its lowest level since Aug. 8 that it touched on Monday ahead of the European Central Bank policy meeting on Thursday, where the central bank looks set to deliver another interest rate cut.

The dollar index, which measures the U.S. currency against six rivals, was last at 103.18, just shy of 103.36, the highest level since Aug. 8 it touched on Monday. The index is up 2.5% and on course to snap its three-month losing streak.

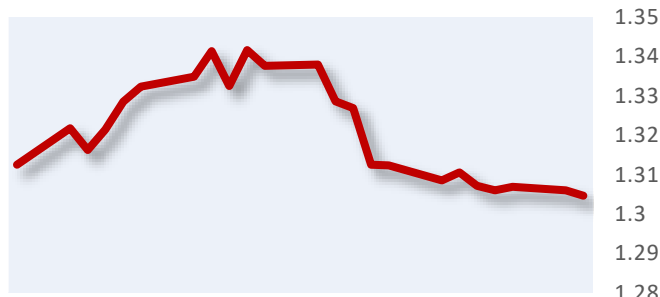
Oil prices slid 3% in early Asian trade on Tuesday after a media report said Israel is willing not to strike Iranian oil targets, which eased fears of a supply disruption, and after OPEC lowered its outlook for global oil demand growth in 2024 and 2025.

Gold held its ground at \$2,646.64. Prices hit a record high of \$2,685.42 last month.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.0890	-2.22	-0.06	-1.35
GBP/USD	1.3046	-2.45	0.59	2.46
USD/CHF	0.8638	2.11	-3.61	2.59
USD/JPY	149.61	4.16	-5.52	6.05
AUD/USD	0.6709	-3.02	-0.81	-1.56
USD/CAD	1.3813	2.18	0.91	4.24
USD INDEX	103.31	2.51	-0.92	1.95
Gold	Silver	KWT OSP	Brent	
2641.11	30.96	79.37	75.19	

GBP/USD - 1 Month



Economic Updates

China may raise an additional 6 trillion yuan (\$850 billion) from special treasury bonds over three years to stimulate a sagging economy, local media reported, a figure that failed to revive sentiment in the country's stock market.

The Bank of Japan will forgo raising interest rates again this year, according to a very slim majority of economists in a Reuters poll, although nearly 90% still expect rates to rise by end-March.

Citing a recent uptick in inflation and data showing the U.S. economy and labor market are stronger than previously thought, Fed Governor Christopher Waller on Monday called for "more caution" on interest-rate cuts ahead.

Stock markets in the Gulf ended mixed on Monday ahead of third-quarter earnings and with the region still on high alert for Israel to retaliate against Iran for an Oct. 1 barrage of missiles launched in response to Israeli actions in Lebanon.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	43,065.22	201.36	1.74	14.26
FTSE 100	8,292.66	39.01	0.68	7.23
KUWAIT ALL	7,041.02	-7.21	-1.33	3.28
Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	4.78592	4.64730	4.44358	4.13974
EURIBOR	3.2450	3.1790	3.0640	2.8220
KIBOR	3.6875	3.9375	4.1250	4.3125
Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	4.146	3.885	3.906	4.092
Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	4.125	4.250	4.375
KONIA	1.910			
SOFR	4.820			
Country	KWT	US	EURO	UK
INT. RATES	4.000	5.000	3.50	5.000

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
15Oct	United Kingdom	ILO Unemployment Rate	4.10	4.14
16Oct	United Kingdom	CPI YY	2.2	1.86
16Oct	Japan	Trade Balance Total Yen	-695.30	-232.92
17Oct	Euro Zone	HICP Final MM	0.10	-0.1
17Oct	Euro Zone	ECB Refinancing Rate	3.65	3.425
17Oct	United States	Initial Jobless Clm	258.00	256
17Oct	Japan	CPI, Core Nationwide YY	2.800	2.29

Source: Reuters and Bloomberg

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