## **Daily Market Commentary**

**Gulf Bank Treasury Sales Desk** 

**CBK USD/KWD** 

0.30845 0.30855



January 20, 2025

## **Foreign Exchange Development**

The dollar was on the defensive at the start of a pivotal week on Monday as Donald Trump returns to the White House, with his inauguration speech later in the day the primary focus for investors hoping to decipher his immediate policies.

The Japanese yen strengthened in Asian hours, clinging to a one-month high hit last week, as traders wager the Bank of Japan will hike its policy interest rate this week. Still, trading is likely to be thin with U.S. markets closed.

The euro advanced 0.26% to \$1.029775 but still near a two-year low touched last week as tariff threats weigh. Sterling rose 0.27% to \$1.2201.

Oil prices were little changed on Monday as expectations of U.S. President-elect Donald Trump relaxing curbs on Russia's energy sector in exchange for a deal to end the Ukraine war offset concern of supply disruption from harsher sanctions.

Gold cut early losses on Monday as investors looked forward to Donald Trump's inauguration speech for clarity on the incoming administration's policies, which could offer further clues on the Federal Reserve's interest rate path.

Currencies & Commodities							
Currency	Price	MTD%	3M%	YTD%			
EUR/USD	1.0305	-0.48	-4.73	-0.48			
GBP/USD	1.2211	-2.45	-6.00	-2.45			
USD/CHF	0.913	0.63	5.40	0.63			
USD/JPY	155.96	-0.58	3.37	-0.58			
AUD/USD	0.6213	0.36	-6.74	0.36			
USD/CAD	1.4451	0.47	4.46	0.47			
<b>USD INDEX</b>	109.08	0.55	4.81	0.55			
Gold	Silver	KWT OSP	Brent				
2705.95	30.40	86.55	80.75				



## **Economic Updates**

China left benchmark lending rates unchanged for a third consecutive month, as expected, as a weakening yuan has limited Beijing's monetary policy easing efforts.

BOJ meets Jan 23-24, decision expected on Friday, The Bank of Japan is expected to raise interest rates on Friday barring any market shocks when U.S. President-elect Donald Trump takes office, a move that would lift short-term borrowing costs to levels unseen since the 2008 global financial crisis.

The European Central Bank is on track to lower inflation and cut interest rates but needs to have a deep think about how much further and how quickly policy should be eased, ECB board member Isabel Schnabel said in a media interview published on Sunday.

Most stock markets in the Gulf ended higher on Sunday, driven by an uptick in U.S. manufacturing output in December.

Global Markets								
Index	Price	Change	MTD%	YTD%				
DOWJONES	43,487.83	334.70	2.22	2.22				
FTSE 100	8,505.22	113.32	4.06	4.06				
<b>KUWAIT ALL</b>	7,540.84	13.38	2.42	2.42				
Benchmark	1 Month	3 Month	6 Month	12 Month				
TERM SOFR	4.30040	4.29009	4.25381	4.19425				
EURIBOR	2.7980	2.7040	2.6420	2.5240				
KIBOR	3.7500	4.0000	4.1875	4.3750				
Benchmark	1 Year	3 Year	5 Year	10 Year				
US TRSY	4.196	4.344	4.428	4.621				
Benchmark	ON	3 Month	6 Month	12 Month				
CBK BOND	=	4.125	4.250	4.375				
KONIA	2.160							
SOFR	4.290							
Country	KWT	US	EURO	UK				
INT. RATES	4.000	4.500	3.00	4.750				

Upcoming Indicators / Events							
Date	Country	Indicator Name	Prior	Forecast			
23Jan	United States	Initial Jobless Clm	217.00	216.8			
23Jan	Euro Zone	Consumer Confid. Flash	-14.5	-14.37			
23Jan	Japan	CPI, Core Nationwide YY	2.70	2.96			
24Jan	Germany	HCOB Mfg Flash PMI	42.50	42.46			
24Jan	Euro Zone	HCOB Mfg Flash PMI	45	45.18			
24Jan	United Kingdom	Flash Manufacturing PMI	47.00	46.86			
24Jan	Japan	JP BOJ Rate Decision	0.25	0.453			
Source: Reuters and Bloomberg							

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