

Foreign Exchange Development

The dollar flirted with a two-year peak after the Federal Reserve signalled a slower pace of rate cuts in 2025, while the yen blipped lower after the Bank of Japan (BOJ) stood pat on rates.

Ahead of the outcome, sterling was pinned near a three-week low at \$1.2587. The euro meanwhile rose 0.23% to \$1.0376, nursing its steep 1.34% drop in the previous session.

The Australian Dollar bottomed at \$0.6199, before rebounding slightly to last trade 0.11% higher at \$0.6225. While the New Zealand dollar also hit its weakest level since October 2022 at \$0.5608 and last bought \$0.5623.

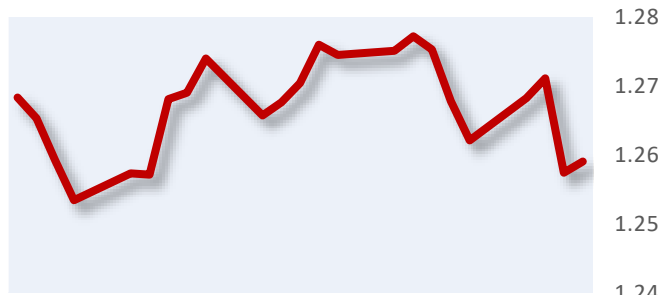
Oil prices fell in early trading after the U.S. Federal Reserve signalled that it would slow the pace of interest rate cuts in 2025, potentially impacting fuel demand.

Gold prices jumped more than 1% on short-covering after dipping to the lowest in a month earlier in the session, while the market awaited key U.S. data for further cues on the Federal Reserve's policy trajectory.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.0383	-1.85	-7.01	-5.95
GBP/USD	1.2590	-1.19	-5.26	-1.13
USD/CHF	0.9005	2.16	6.16	6.94
USD/JPY	155.38	3.75	8.94	10.14
AUD/USD	0.6226	-4.41	-8.67	-8.62
USD/CAD	1.4438	3.11	6.48	9.00
USD INDEX	108.09	2.22	7.42	6.66
Gold	Silver	KWT OSP	Brent	
2609.12	29.52	75.48	73.00	

GBP/USD - 1 Month



Economic Updates

The U.S. central bank cut interest rates, as expected, but Federal Reserve Chair Jerome Powell said more reductions in borrowing costs now hinge on further progress in lowering stubbornly high inflation, remarks that showed policymakers are starting to reckon with the prospects for sweeping economic changes under a Trump administration.

The Bank of Japan kept interest rates unchanged but one dissenting board member's proposal to push up borrowing costs showed the bank remains on track to tighten policy early next year.

The Central Bank of Kuwait (CBK) decided to keep the discount rate unchanged at its current level of 4%.

Most central banks of the Gulf Cooperation Council cut key interest rates, following the Federal Reserve's decision to reduce U.S. rates by a quarter of a percentage point.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	42,326.87	-1,123.03	-5.75	12.30
FTSE 100	8,199.11	3.91	-1.06	6.02
KUWAIT ALL	7,282.96	0.89	0.51	6.83
Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	4.37026	4.35406	4.28318	4.19250
EURIBOR	2.7750	2.8650	2.6640	2.4740
KIBOR	3.6875	4.0000	4.1875	4.3750
Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	4.262	4.356	4.407	4.524
Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	4.125	4.250	4.375
KONIA	2.090			
SOFR	4.620			
Country	KWT	US	EURO	UK
INT. RATES	4.000	4.500	3.25	4.750

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
19Dec	United Kingdom	BOE Bank Rate	4.75	4.75
19Dec	United States	GDP Final	2.8	2.87
19Dec	United States	Initial Jobless Clm	242.00	230.3
19Dec	United States	Philly Fed Business Indx	-5.50	4.45
19Dec	Japan	JP BOJ Rate Decision	0.25	0.25
19Dec	Japan	CPI, Core Nationwide YY	2.30	2.64
20Dec	United States	Consumption, Adjusted	0.400	0.47

Source: Reuters and Bloomberg