## Daily Market Commentary

**Gulf Bank Treasury Sales Desk** 

**CBK USD/KWD** 

0.30785 0.30795



April 18, 2024

## **Foreign Exchange Development**

The dollar was soft on Thursday as traders assessed the U.S. interest rates outlook in the wake of comments from Federal Reserve officials that cemented expectation of monetary settings remaining restrictive for a while longer.

The dollar index, which measures the U.S. currency against six peers, was last at 105.97, inching away from the five-and-a-half-month high of 106.51 hit on Tuesday as traders consolidated positions. The index is up 4.5% this year.

The euro was a tad weaker at \$1.0664, having notched a 0.5% gain on Wednesday and lifting away from a five-month low touched on Tuesday. Sterling was last at \$1.2449, up 0.02% on the day.

Oil prices rose in early trade on Thursday, slightly paring the previous session's losses after the United States said it would reinstate oil sanctions Venezuela, while the European Union talked of fresh curbs on Iran.

Gold prices climbed on Thursday as concerns about the Middle East war extending to other regions boosted demand for the safe-haven metal.

| Currencies & Commodities |        |         |       |       |  |  |  |
|--------------------------|--------|---------|-------|-------|--|--|--|
| Currency                 | Price  | MTD%    | 3M%   | YTD%  |  |  |  |
| EUR/USD                  | 1.0676 | -1.04   | -1.83 | -3.27 |  |  |  |
| GBP/USD                  | 1.2468 | -1.23   | -1.87 | -2.06 |  |  |  |
| USD/CHF                  | 0.9103 | 0.92    | 4.83  | 8.13  |  |  |  |
| USD/JPY                  | 154.35 | 2.00    | 4.18  | 9.41  |  |  |  |
| AUD/USD                  | 0.6443 | -1.14   | -1.96 | -5.42 |  |  |  |
| USD/CAD                  | 1.3759 | 1.60    | 2.00  | 3.85  |  |  |  |
| USD INDEX                | 105.87 | 1.26    | 2.25  | 4.47  |  |  |  |
| Gold                     | Silver | KWT OSP | Brent | WTI   |  |  |  |
| 2375.54                  | 28.45  | 94.68   | 87.44 | 83.78 |  |  |  |



## **Economic Updates**

European Central Bank policymakers continued to line up behind a June interest rate cut on Wednesday despite rising oil prices and a weaker euro, but they diverged on the path for monetary policy beyond the initial move.

U.S. economic activity expanded slightly from late February through early April and firms signaled they expect inflation pressures to hold steady, a Federal Reserve survey showed on Wednesday, continuing recent trends that have kept the central bank from being able to cut interest rates.

Egypt's foreign debt climbed by \$3.5 billion in the fourth quarter of 2023 to \$168.0 billion, data on the planning ministry website showed.

Most stock markets in the Gulf ended lower on Wednesday, extending losses from the previous session, as U.S. Federal Reserve officials reiterated interest rates are likely to stay higher for longer.

| Global Markets |           |         |         |          |  |  |  |  |
|----------------|-----------|---------|---------|----------|--|--|--|--|
| Index          | Price     | Change  | MTD%    | YTD%     |  |  |  |  |
| DOWJONES       | 37,753.31 | -45.66  | -5.16   | 0.17     |  |  |  |  |
| FTSE 100       | 7,847.99  | 27.63   | -1.32   | 1.48     |  |  |  |  |
| KUWAIT ALL     | 6,910.12  | -20.09  | -5.69   | 1.36     |  |  |  |  |
| Benchmark      | 1 Month   | 3 Month | 6 Month | 12 Month |  |  |  |  |
| TERM SOFR      | 5.31882   | 5.32656 | 5.30154 | 5.21009  |  |  |  |  |
| EURIBOR        | 3.8550    | 3.9040  | 3.8420  | 3.7020   |  |  |  |  |
| KIBOR          | 4.0000    | 4.3125  | 4.5000  | 4.6875   |  |  |  |  |
| SAIBOR         | 5.81493   | 6.18260 | 6.07314 | 5.90537  |  |  |  |  |
| Benchmark      | 1 Year    | 3 Year  | 5 Year  | 10 Year  |  |  |  |  |
| US TRSY        | 5.146     | 4.749   | 4.599   | 4.571    |  |  |  |  |
| 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  |                |                         |       |          |  |  |  |  |
|-------------------------------|----------------|-------------------------|-------|----------|--|--|--|--|
| Date                          | Country        | Indicator Name          | Prior | Forecast |  |  |  |  |
| 18Apr                         | United States  | Existing Home Sales     | 4.38  | 4.165    |  |  |  |  |
| 18Apr                         | Japan          | CPI, Core Nationwide YY | 2.80  | 2.65     |  |  |  |  |
| 19Apr                         | United Kingdom | Retail Sales YY         | -0.40 | 0.66     |  |  |  |  |
| 23Apr                         | Euro Zone      | HCOB Mfg Flash PMI      | 46    |          |  |  |  |  |
| 23Apr                         | Euro Zone      | HCOB Services Flash PMI | 51.50 |          |  |  |  |  |
| 23Apr                         | United Kingdom | Flash Manufacturing PMI | 50.30 |          |  |  |  |  |
| 23Apr                         | United Kingdom | Flash Services PMI      | 53.10 |          |  |  |  |  |
| Source: Reuters and Bloomberg |                |                         |       |          |  |  |  |  |

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