

		Change	Closing pts
SAUDI	- Tadawul	+40.74	12,618.62
EGYPT	- EGX 30	+1,619.41	32,919.95

Business

ECB signals upcoming rate cuts amid inflation concerns

US labor report fuels speculation for Fed rate cut in June

By National Bank of Kuwait

United States

Job Growth Remains Strong
Nonfarm payrolls advanced 275K in February following a combined 167K downward revision in the prior two months. Economists expected a reading of 198K. The unemployment rate rose and wage gains slowed. Average hourly earnings grew by 0.1% m/m, easing from 0.5% in January and slower than projections of 0.2%. The moderation in pay growth follows an outside jump in the prior month likely due to extreme weather. The unemployment rate climbed to 3.9% versus expectation of a match to the previous 3.7% figure. The data highlights a resilient jobs market that is beginning to soften. Fed policymakers will keep a close eye on this trend as they consider bringing down borrowing costs this year from a two-decade high. Recently, officials have been stressing that they are in no rush to roll out rate cuts. Fed Chair Jerome Powell painted a patient and cautious outlook on the Fed's fight to bring inflation back down to the target. He noted that the Fed is "not far" from having the confidence it needs that price gains are sustainably moving towards that goal. "When we do get that confidence...it will be appropriate to begin to dial back the level of restriction so that we don't drive the economy into recession," Powell told lawmakers.

Markets started off the year expecting a reduction by the Fed sometime in the spring, and have since made strong changes to their bets. As of now, the probability for a June rate cut sits at 58%. Meanwhile, treasury yields traded sharply lower.

Europe

ECB Signals Upcoming Cuts
The European Central Bank kept borrowing costs at record highs last week, while carefully signaling it will lower rates later this year due to good progress in bringing down inflation. Policymakers indicated they were

Highlights

- Pointing to a cooler yet resilient labor market, the US jobless rate climbed to a two-year high in February even as hiring remained strong.
- The European Central Bank signaled it will lower rates later this year due to good progress in bringing down inflation. Markets now see an 80% probability for a rate cut in June, which would bring the bank's deposit facility rate down to 3.75% from 4.0%.
- The Bank of Canada left rates unchanged as expected, however did not provide a potential timeline for cuts, adding that underlying inflation was still too high.
- Looking at FX, the dollar index shed 1.25% of its value last week, sending the euro to a 7-week high of 1.0980. The pound saw a similar gain, ending the week 1.7% higher.
- Yields on the 2 & 10 year Treasuries did not react very strongly, ending the week at 4.46% and 4.09% respectively.
- Markets and especially the US Federal Reserve will now be watching in anticipation for next week's CPI release.

preparing for a first cut in interest rates, most likely in June, provided incoming data confirms the trend of lower prices. "We did not discuss cuts for this meeting, but we are just beginning to discuss the dialing back of our restrictive stance," ECB President Christine Lagarde told a press conference. She noted that inflation has been dropping towards the 2% target and is now expected to come in lower over the next two years than the central bank had anticipated just a few months ago. In its latest quarterly

Rates - 10th March, 2024

Currencies	Previous Week Levels				This Week's Expected Range		3-Month Forward
	Open	Low	High	Close	Minimum	Maximum	
EUR	1.0947	1.0917	1.0980	1.0937	1.0805	1.1105	1.0982
GBP	1.2808	1.2798	1.2893	1.2857	1.2775	1.3070	1.2870
JPY	148.03	146.47	148.11	147.07	144.55	148.05	145.02
CHF	0.8778	0.8728	0.8782	0.8775	0.8730	0.8895	0.8695

economic projections, the ECB cut its forecast for price growth this year from 2.7% to 2.3% and said it now expects inflation to fall to 1.9% in summer 2025 and stay there until the end of 2026.

After declining for nearly 18 months, eurozone annual inflation dipped to 2.6% in February, mainly because of a steep fall in fuel costs which were previously boosted by Russia's war in Ukraine. The decline is also a major result of the ECB's steepest ever increase in borrowing costs. Nevertheless, underlying inflation excluding volatile food and fuel prices was at 3.1%, while an index for the price of services rose by nearly 4%. "There is a definite decline (in inflation) which is underway and we are making good progress towards our inflation target," Lagarde said. "We are more confident as a result, but we are not sufficiently confident." Markets are now pricing in three or four cuts this year, taking the ECB's deposit facility rate down to 3.25% or 3% from its current 4% level.

5% as widely expected, noting more time is needed for higher interest rates to bring inflation back to target. Governor Tiff Macklem declined to lay out a timeline for rate cuts, adding that he realizes monetary policy works slowly and causes pain to the economy. "We expect to see further progress but we think it's going to be slow, it's going to be uneven.... Fundamentally, we need to see more progress," he told Reuters in an interview after the rate announcement. Macklem reiterated that the central bank expected inflation to start dipping in the second half of the year but expressed concern on stubbornly high core inflation. "If core stays where it is, probably... our forecast that total (CPI) comes down isn't going to materialize. So that's why we're putting a lot of focus on those core measures," he added. Overall inflation currently stands at 2.9% - still well above the bank's 2% target. The meeting suggests a low chance of a rate cut in April, with markets now pricing in just a 30% probability.

Canada

BoC Keeps Rates Unchanged
The Bank of Canada left its policy rate unchanged at

Kuwait

Kuwaiti Dinar
USD/KWD closed last week at 0.30715.

Saudi PIF overtakes Kuwaiti counterpart

KIA fund rises, but loses fifth place globally

KUWAIT CITY, March 10: The International Institute of Global Sovereign Funds has updated its ranking, with significant implications for the Saudi Public Investment Fund and the Kuwait Investment Authority Fund.

According to the Al-Qabas daily, the Saudi PIF has climbed to third place globally, overtaking its Kuwaiti counterpart, thanks to an 8% transfer of Aramco shares.

Recent reports highlight the transfer of Aramco shares, valued at over \$163 billion, to the Saudi sovereign wealth fund. This move has propelled the Saudi PIF's assets to \$940.2 billion, marking a substantial increase from its previous valuation of over \$770 billion.

With this surge, the Saudi PIF now stands ahead of the Al-Ajyal Fund, which holds assets totaling \$923.4 billion, according to the updated data from the International Institute of Global Sovereign Funds.

Meanwhile, the Kuwaiti Fund has also experienced growth, reaching assets exceeding \$120 billion this year,

Aramco reports \$121b profit in '23

DUBAI, March 10, (AP): Saudi oil giant Aramco on Sunday reported it made \$121 billion in profit last year, down from its 2022 record due to lower energy prices.

The results still marked the company's second highest ever result, Aramco said, as members of the OPEC+ alliance continue to cut their production to try to boost global energy prices. However, lower results also squeeze the kingdom as it embarks on a massive development project under its assertive crown prince to wean itself off oil revenues.

Aramco had reported a \$161 billion profit in 2022, likely the largest ever reported by a publicly traded company.

"The decrease mainly reflects

driven by robust performances in technology stocks on American exchanges. However, this growth hasn't been sufficient to maintain its fifth-place position globally.

Consequently, the Saudi PIF secures the fifth position globally, surpassing

the impact of lower crude oil prices and lower volumes sold, and weakening refining and chemicals margins," the company said in its filing to the Tadawul stock market.

Despite being lower this year, Aramco boosted the dividends due to its stock holders to over \$31 billion in the fourth quarter, according to filings.

The energy giant had planned a conference call Monday to discuss its results.

Aramco reported overall revenue of \$440 billion last year, down from \$535 billion in 2022.

"Our resilience and agility contributed to healthy cash flows and high levels of profitability, despite a backdrop of economic headwinds," said Aramco CEO Amin H. Nasser in a statement.

the Al-Ajyal Fund, which now occupies sixth place. Within the Arab world, the Saudi fund ranks third, trailing behind the Abu Dhabi Investment Authority, which holds fourth place globally and first place regionally with assets totaling \$993 billion.



Yousef Al-Ruwaieh and Talal AlArbeed awarded prizes.

AlArbeed emphasizes importance of innovation in financial sector

KFH sweeps 5 prestigious awards from EMEA Finance

KUWAIT CITY, March 10: Kuwait Finance House (KFH) announced that it has been recognized with five prestigious awards at the 16th Annual EMEA Finance Middle East Banking Awards. This remarkable achievement highlights KFH's leadership in the banking industry, its commitment to providing exceptional financial services and products, innovative solutions, and impactful social responsibility initiatives. The awards recognize KFH's business quality, performance efficiency, and excellence that cater to the evolving needs of its diverse clientele.

KFH secured the following accolades: Best Islamic Bank - Middle East, Best Bank - Kuwait, and Best Islamic Bank - Kuwait, Best Product Launch (Zaheb) - Middle East, and Corporate Social Responsibility - Middle East Award.

These five awards from EMEA Finance further reflect the bank's position as a leader in Islamic banking and a trusted partner for its customers and communities.

The Best Bank - Kuwait award underscores KFH's position as a leading financial institution, recognized for its high standards of service, innovative products, and commitment to client satisfaction. This focus on customer experience is further underscored by KFH's Best Islamic Bank - Kuwait award. KFH delivers unparalleled Shariah-compliant financial solutions while adhering to the highest global standards, making the bank a benchmark for Islamic banking excellence.

During the awarding ceremony held in Dubai, KFH Deputy General Manager Public Relations and Media, Yousef Abdullah Al-Ruwaieh said: "It is an honor to receive the five prestigious awards from EMEA Finance. These accolades are a testament to the tireless efforts of our dedicated team, as well as KFH's leading position and commitment to offering solutions and initiatives that meet customer aspirations, foster sustainable growth, and adhere to the highest global standards."

He added: "We are pleased to win the Corporate Social Responsibility - Middle East Award. It reinforces KFH's

consistent efforts in social responsibility and strategic societal initiatives. It also highlights KFH's excellence in implementing various environmental and sustainability initiatives under the "Keep it Green" campaign. KFH remains committed to integrating social responsibility into its core operations, contributing to positive societal change."

Al-Ruwaieh emphasized that these awards celebrate KFH's unwavering dedication to social responsibility initiatives. The bank's commitment extends to various areas, including education, healthcare, environmental sustainability, community development, supporting people with special needs, students, and fresh graduates, and launching awareness campaigns and community activities, ultimately demonstrating its commitment to sustainable social development.

He added that KFH's dedication to innovation, customer-centricity, and social responsibility has been instrumental in its continuous growth and success. These awards serve as a further recognition of the bank's commitment to these core values as it seeks to solidify its position as a leading global Islamic financial institution.

Best Product Launch (Zaheb) - Middle East

Meanwhile, KFH Executive Manager Credit and Charge Card Products, Talal AlArbeed said that Best Product Launch (Zaheb) - Middle East award recognizes KFH's exceptional product launch within the corporate segment. It also signifies its dedication towards digital transformation and rolling out innovative financial solutions that cater to the evolving needs of corporate clients.

"These accolades are a testament to the collective efforts of our dedicated team who consistently strive to deliver exceptional value to our customers. The awards further reinforce our commitment to upholding the highest standards of Islamic banking practices and driving innovation within the financial sector," he said.

AlArbeed further added, "These awards reaffirm KFH's commitment to delivering innovative Sharia-compliant

financial solutions and fostering sustainable growth. The innovative services KFH provides reflect its commitment to digital development, catering to different customer segments and meeting their interests and aspirations in line with global standards."

He revealed that Zaheb platform affirms KFH's commitment to digital development, catering to different customer segments and meeting their interests and aspirations in line with global standards.

He added that since its launch, Zaheb has been succeeded in meeting a large part of e-payments requirements. "The Zaheb platform is designed to cater to the needs of both merchant customers and owners of small and medium enterprises (SMEs). It specializes in offering two innovative payment methods: invoice links and QR code payments. Merchants can generate invoice links, which they can then share with their customers via email or SMS, for easy on-line payment. Additionally, the platform allows merchants to create dynamic or static QR codes that customers can scan to pay directly using their debit or credit card," added AlArbeed.

The EMEA Finance Middle East Banking Awards are a prestigious recognition program that celebrates outstanding achievements and contributions within the financial services sector across the Middle East region. The 16th edition of the awards witnessed participation from leading financial institutions across the region.

In addition, the EMEA Finance Awards are among the most important awards in the banking sector in Europe, Middle East and Africa region, which aim to honor banking institutions based on their financial performance, standards of service quality, and excellence in the banking sector. The prestigious financial magazine awards are based on basic criteria in the process of selecting the best banks, including the bank's market share, the growth of its products in the market, profitability, in addition to the quality of its business strategy, contributions, its role in the issuance markets, and innovation in products and services.

Firm ranked first in 'Best Mobile Operator' & 'Best ISP' categories

Zain maintains lead in Service Hero's Customer Satisfaction Index Awards

KUWAIT CITY, March 10: Zain has maintained its lead in the Service Hero Customer Satisfaction Index Awards after being ranked first in the 'Best Mobile Operator' category for the twelfth time and the 'Best Internet Service Provider' category for the eighth time in Kuwait's ICT sector for the year 2023.

The announcement was made during the special awards ceremony, attended by Zain Kuwait Chief Corporate Affairs and Relations Officer Waleed Al Khashti, President of Service Hero Faten Abu-Ghazaleh, and many executives and leaders from the winning companies.

Service Hero celebrated the country's best performing service providers in 2023, marking the fourteenth year of running the region's only consumer powered customer satisfaction index. Yet again, Zain came on top of the companies operating in the local ICT sector, being ranked first in the 'Best Mobile Operator' and 'Best Internet Service Provider' categories after receiving the highest number of votes from consumers in the Kuwaiti market for the above two categories.

Zain is proud to maintain its annual lead in this prestigious award, reflecting the leadership position it enjoys in the local ICT and digital service markets. The company ranked first for achieving the highest customer satisfaction scores by providing the best quality service standards.

The award came after an in-depth evaluation by Service Hero's independ-



Waleed Al Khashti receives Zain's awards from Faten Abu-Ghazaleh.

ent advisory council, which recognized Zain's leadership in offering the best innovative digital services, as well as its relentless pursuit of excellence and innovation with the aim of achieving superior digital lifestyle transformation for its customer base, the biggest in Kuwait.

Based in Kuwait, Service Hero manages the only consumer powered customer satisfaction index in the Middle East. The company is a member of ESOMAR and adheres to the global organization's principles and guidelines for self-regulation and ethical practice. Service Hero is overseen by an In-

dependent Advisory Council to assure results that are impartial, objective, and accurately reflect consumers' preference, making the company's findings a credible benchmark that offers transparent and relevant insight for companies.

It is comprised of academics and business professionals representing leading institutions and corporate establishments in Kuwait and the UAE, including the American University of Kuwait, Australian College of Kuwait. Since 2010, Service Hero has measured 250,000 validated consumer assessments covering more than 500 private sector companies.