

Treasury Daily Newsletter

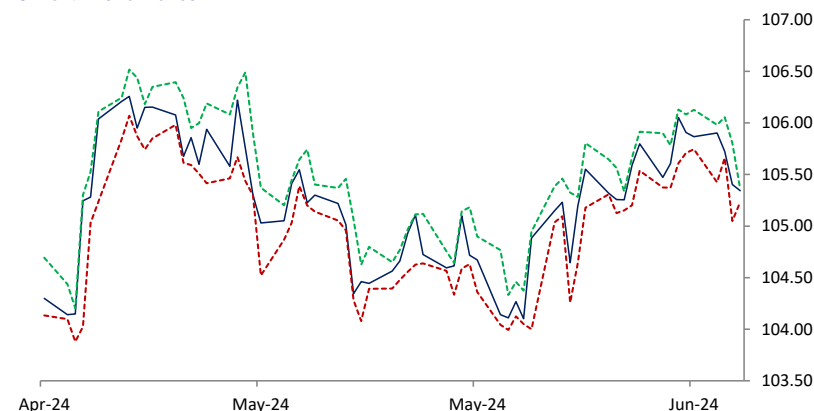
4-Jul-24

Kuwaiti Dinar Today 0.30615 / 0.30625

Key Market Highlights:

- The latest ADP employment reading showed that private sector employment in the US rose by 150,000 jobs in June, less than last month's revised 157,000 figure and below market expectations of 160,000 jobs. June saw a rebound in hiring for the leisure and hospitality sector with 63,000 jobs added, as the summer season is driving growth in that area. ADP chief economist Nela Richardson stated that "Had it not been for a rebound in hiring in leisure and hospitality, June would have been a downbeat month." The pace of wage gain also fell to 4.9% annually which is the smallest increase since August 2021. Markets will turn their attention to Friday's non-farm payroll data to gauge the strength of the labor market, which the Fed stated is an important factor in influencing monetary policy.
- US ISM services PMI in June fell short of the expected 52.7 figure, coming in at 48.8 from 53.8 previously and entering contraction territory. The new orders index fell to 47.3 from 54.1 previously, while employment decreased to 46.1 from May's 47.1 reading. The Institute for Supply Management said that "The decrease in the composite index in June is a result of notably lower business activity, a contraction in new orders for the second time since May 2020 and continued contraction in employment." The slowdown in business activity in the services sector could indicate that elevated interest rates is starting to have an impact as it did on the manufacturing sector. Previously, fed speakers have lamented about high services inflation and the impact it has on households. The greenback weakened following the release of the PMI data, with the dollar index last trading at 105.34.

US Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0670	1.0750	1.0785	1.0820	1.0855
GBP	1.2670	1.2700	1.2740	1.2780	1.2810
JPY	160.70	161.10	161.50	162.00	162.50
CHF	0.8950	0.8985	0.9010	0.9040	0.9080

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0786	2.28	EUR/GBP	0.8464	2.37
GBP/USD	1.2740	0.07	GBP/JPY	206.00	14.65
USD/JPY	161.6800	14.50	EUR/JPY	174.42	11.95
USD/CHF	0.9014	7.04	EUR/CHF	0.9722	4.64

Brief Technical Commentary

EUR/USD: The pair settles around the minor resistance 1.0795, waiting for positive momentum to push the price above 1.0840, therefore we expect bullish bias on upcoming sessions. The pair currently is at 1.0785 support levels at (1.0750-1.0670).

USDCHF: The pair faced strong negative pressure yesterday, a break above 0.9040 will resume the positive trend, on the other hand a break below 0.8990 will put negative pressure on the pair suggesting bearish correction. The pair is currently trading at 0.9010 support levels at (0.8985-0.8950).

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	91.14	0.53	Dow Jones	39,308.00	0.06
Brent	86.88	0.53	Nikkei 225	40,580.76	1.26
West Texas	83.35	0.63	S&P 500	5,537.02	0.50
Gold	2,356.22	0.01	KuwaitSE	6,952.61	0.22

Economic Events	Country	Event	Actual	Forecast	Previous
1-Jul-24	EUR	German Prelim CPI m/m	0.1%	0.2%	0.1%
1-Jul-24	USD	ISM Manufacturing PMI	48.5	49.2	48.7
1-Jul-24	EUR	ECB President Lagarde Speaks			
2-Jul-24	EUR	CPI Flash Estimate y/y	2.5%	2.5%	2.6%
2-Jul-24	USD	Fed Chair Powell Speaks			
2-Jul-24	USD	JOLTS Job Openings	8.14M	7.86M	8.06M
3-Jul-24	USD	ADP Non-Farm Employment Chang	150K	156K	152K
3-Jul-24	USD	FOMC Meeting Minutes			
4-Jul-24	GBP	Parliamentary Elections			
5-Jul-24	USD	Unemployment Rate		4.0%	4.0%

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.38	4.06	4.31	4.50	4.69
USD	5.35	5.33	5.31	5.24	5.02
EUR	3.63	3.65	3.71	3.68	3.59
GBP	5.20	5.19	5.12	5.05	4.90

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	5.04	4.70	4.32	4.35	4.52
Germany	3.18	2.91	2.55	2.56	2.74
United Kingdom	4.61	4.11	4.00	4.16	4.65
Japan	0.17	0.33	0.58	1.08	2.27

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