

Treasury Daily Newsletter

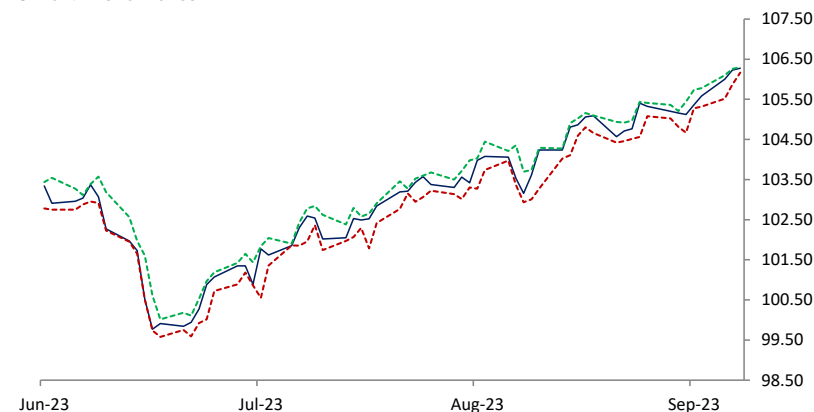
27-Sep-23

Kuwaiti Dinar Today 0.30895 / 0.30905

Key Market Highlights:

- The US has just a few days to go before the government runs out of money, with the Senate unveiling a bipartisan stopgap bill to avert a shutdown and allow the government to continue running through November 17th. The stopgap bill would maintain funding at current levels with a \$6 billion boost for Ukraine and \$6 billion for US disaster relief, among other provisions. The Senate has voted 77-19 to advance the bill. However, there are no guarantees that it will pass the House. Earlier this year President Joe Biden and House Speaker Kevin McCarthy agreed in May to discretionary spending of \$1.59 trillion for the fiscal year beginning October 1st. The White House is now urging Republicans to honor that deal.
- Consumer confidence in the United States fell again in September, with the Conference Board index coming in at 103.00 from 108.7 previously. The drop in consumer sentiment comes amid elevated energy prices as well as talks of a potential government shutdown due to lack of funding as congress runs out of time to reach an agreement. Within the index, present situation actually improved despite higher energy costs coming in at 147.1 from 146.7 previously. However, there was a noticeable drop in the consumer expectations portion, which declined to 73.7 from 83.3, indicating the level of worry regarding the future. The US dollar index continues its uptrend despite the release of the report, last trading at 106.223
- In Australia, the Bureau of Statistics released data showing that the consumer price index (CPI) rose to 5.2% in August 2023, compared to 4.9% the previous month. The rise in CPI was driven by the global spike in prices of oil, as well as a rise in the price of housing which rose by 6.6%. Although the rise was expected, the consumer price index shows an accelerated cost for consumers in various components such as rent which went up 7.8% from the previous year, as well as rises in the price of transport (+7.4%), food (+4.4%), and insurance and financial services (+8.8%). This has led monetary policy makers to indicate that another rate hike this year could be necessary to combat the increased inflation levels.

U.S dollar Index 3-Month Performance



| Technical Levels | Support 2 | Support 1 | Spot | Resistance 1 | Resistance 2 |
|------------------|-----------|-----------|--------|--------------|--------------|
| EUR | 1.0470 | 1.0515 | 1.0559 | 1.0610 | 1.0655 |
| GBP | 1.2025 | 1.2095 | 1.2142 | 1.2195 | 1.2250 |
| JPY | 147.95 | 148.45 | 149.02 | 149.70 | 150.30 |
| CHF | 0.9075 | 0.9120 | 0.9169 | 0.9225 | 0.9285 |

| Currencies | Closing | YTD % | Closing | YTD % | |
|------------|----------|-------|---------|--------|-------|
| EUR/USD | 1.0570 | 1.25 | EUR/GBP | 0.8696 | 1.65 |
| GBP/USD | 1.2157 | 0.42 | GBP/JPY | 181.20 | 14.19 |
| USD/JPY | 149.0500 | 13.70 | EUR/JPY | 157.58 | 12.28 |
| USD/CHF | 0.9155 | 0.94 | EUR/CHF | 0.9680 | 2.19 |

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.0554 level during morning trading session and currently trading at 1.0559. EUR/USD Support levels are at (1.0470-1.0515) any break below would take the pair down to 1.0425. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2139 level during morning trading session and currently trading at 1.2142. GBP/USD Support levels are at (1.2025-1.2095) any break below would take the pair down to 1.1985. Short term outlook is Bearish.

| Commodities | Last Price | % Change | Global Indices | Last Price | % Change |
|-------------|------------|----------|----------------|------------|----------|
| Kuwait Oil | 98.61 | 1.61 | Dow Jones | 33,618.88 | 1.14 |
| Brent | 95.03 | 0.02 | Nikkei 225 | 32,200.82 | 0.35 |
| West Texas | 91.63 | 0.44 | S&P 500 | 4,273.53 | 1.47 |
| Gold | 1,897.49 | 0.16 | KuwaitSE | 6,883.63 | 0.22 |

| Economic Events | Country | Event | Actual | Forecast | Previous |
|-----------------|---------|--------------------------------|--------|----------|----------|
| 26-Sep-23 | USD | CB Consumer Confidence | 103.0 | 105.5 | 106.1 |
| 27-Sep-23 | AUD | CPI y/y | 5.2% | 5.2% | 4.9% |
| 28-Sep-23 | EUR | German Prelim CPI m/m | | 0.3% | 0.3% |
| 28-Sep-23 | USD | Final GDP q/q | | 2.3% | 2.1% |
| 28-Sep-23 | USD | Unemployment Claims | | 213,000 | 201,000 |
| 28-Sep-23 | USD | Fed Chair Powell Speaks | | | |
| 29-Sep-23 | CAD | GDP m/m | | -0.1% | -0.2% |
| 29-Sep-23 | USD | Core PCE Price Index m/m | | 0.2% | 0.2% |
| 29-Sep-23 | USD | Revised UoM Consumer Sentiment | | 67.7 | 67.7 |
| 30-Sep-23 | CNY | Manufacturing PMI | | 50.2 | 49.7 |

| Local & Global Rates (%) | O/N | 1-Month | 3-Month | 6-Month | 1-Year |
|--------------------------|------|---------|---------|---------|--------|
| KWD | 3.69 | 4.00 | 4.25 | 4.44 | 4.69 |
| USD | 5.31 | 5.32 | 5.39 | 5.46 | 5.46 |
| EUR | 3.88 | 3.87 | 3.98 | 4.12 | 4.21 |
| GBP | 5.18 | 5.20 | 5.28 | 5.36 | 5.41 |

| Government Yields (%) | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|-----------------------|--------|--------|--------|---------|---------|
| United States | 5.44 | 5.05 | 4.58 | 4.50 | 4.64 |
| Germany | 3.64 | 3.21 | 2.75 | 2.78 | 2.98 |
| United Kingdom | 4.91 | 4.76 | 4.36 | 4.28 | 4.76 |
| Japan | -0.06 | 0.02 | 0.28 | 0.73 | 1.70 |

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