

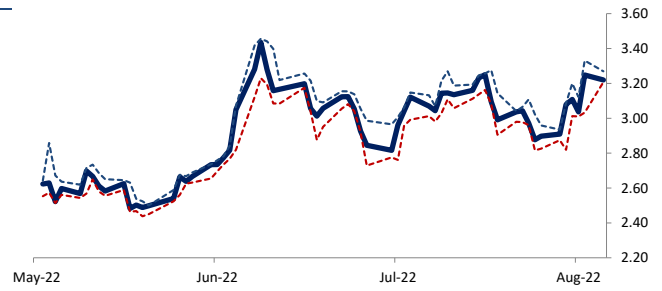
Kuwaiti Dinar Today

0.30680 / 0.30690

Highlights in the Foreign Exchange Market:

- At the latest Fed meeting, Chair Jerome Powell's lack of specific forward guidance and dependency on data for future increases was interpreted by markets as a pivot to a less aggressive posture. However, Fed presidents quickly countered that impression, arguing that the Fed is nowhere near ending their aggressive fight against inflation. This week's CPI figures will be crucial in the next decision. Yields on 2-year Treasury yields surged, a reflection of the expected Fed rates over that period. The 2-year yield stands above 3.20% while the 10-year yield stands above 2.80%.
- China posted a larger than expected trade surplus in July of \$101.3 billion, as export growth remained high at 18% annually while import growth came in lower than forecast at 2.3% annually in dollar terms. Domestic demand is sluggish as the Covid Zero remained and deterred spending. The threat of repeated restrictions has also weighed on sentiment.
- The greenback extended its rally, fueled by higher Treasury yields and recharged expectations for more aggressive Fed policy tightening. The US dollar index stood above 106.50. The euro was enclosed in the 1.0180 region. The sterling was also fenced in the 1.2070 region. The yen slipped further into 135.
- Commodities remain at the mercy of a fragile outlook. Oil prices are under pressure below \$100 a barrel. Gold also dusted its recent gains as Fed officials fueled the Treasury rally and the dollar, trading slightly above \$1,770 an ounce.

US 2-Year Treasury Yield
3-Month Performance



Brent Crude
3-Month Performance

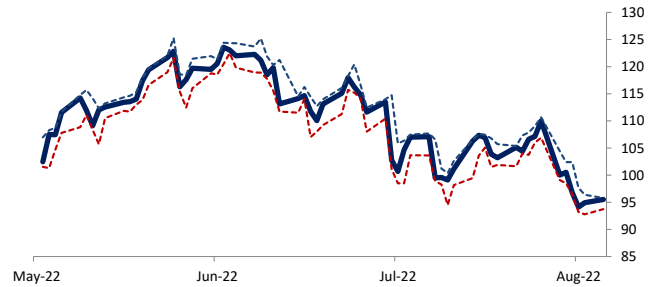


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0000	1.0110	1.0183	1.0240	1.0350
GBP	1.1900	1.1950	1.2076	1.2190	1.2245
JPY	133.22	134.66	135.23	136.60	137.59
CHF	0.9484	0.9537	0.9615	0.9650	0.9715

Brief Technical Commentary

EUR / USD: The ECB is sticking to cautious quantitative tightening to prevent a recession, which causes a weaker Euro; we are expecting the pair to go lower towards support levels of 1.011, then to par. Any bounce would push the Euro to 1.0240 area.

USD / JPY: USDJPY opened the week at 135 and we are expecting it to continue higher to our first resistance at 136.60. Reports will be released this Wednesday that might make the currency more volatile hence; support levels are at 134.66 and 134.

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0181	(0.43)	EUR/GBP	0.8434	0.36
GBP/USD	1.2071	(0.76)	GBP/JPY	162.91	5.21
USD/JPY	134.9700	17.58	EUR/JPY	137.41	5.73
USD/CHF	0.9611	3.32	EUR/CHF	0.9793	(5.65)

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	1.75	2.06	2.38	2.63	3.00
USD	2.29	2.29	2.64	2.99	3.19
EUR	-0.07	-0.04	0.28	0.68	1.02
GBP	1.69	1.69	1.96	2.31	2.63

Economic Events

Date	Country	Event	Actual	Forecast	Previous
5-Aug-22	USD	Average Hourly Earnings m/m	0.5%	0.3%	0.4%
5-Aug-22	USD	Non-Farm Employment Change	528K	250K	398K
5-Aug-22	USD	Unemployment Rate	3.5%	3.6%	3.6%
10-Aug-22	USD	CPI m/m		0.2%	1.3%
10-Aug-22	USD	Core CPI m/m		0.2%	1.3%
11-Aug-22	USD	PPI m/m		0.3%	1.1%
11-Aug-22	USD	Core PPI m/m		0.4%	0.4%
12-Aug-22	GBP	GDP m/m		-1.2%	0.5%
12-Aug-22	GBP	Prelim GDP m/m		-0.2%	0.8%
12-Aug-22	USD	Prelim UoM Consumer Sentiment		52.5	51.5

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.20	3.21	2.95	2.81	3.06
Germany	0.41	0.44	0.70	0.95	1.14
United Kingdom	2.12	1.94	1.86	2.04	2.42
Japan	-0.15	-0.11	-0.04	0.16	1.14

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	102.96	2.29	Dow Jones	32,803.47	0.23
Brent	95.52	0.63	Nikkei 225	28,264.24	0.31
West Texas	89.59	0.64	S&P 500	4,145.19	(0.16)
Gold	1,774.39	(0.04)	KuwaitSE	7,712.74	(0.26)

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