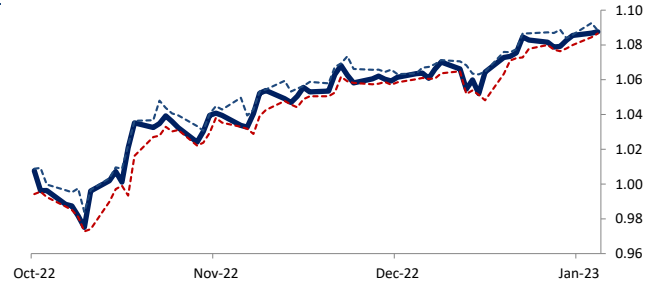


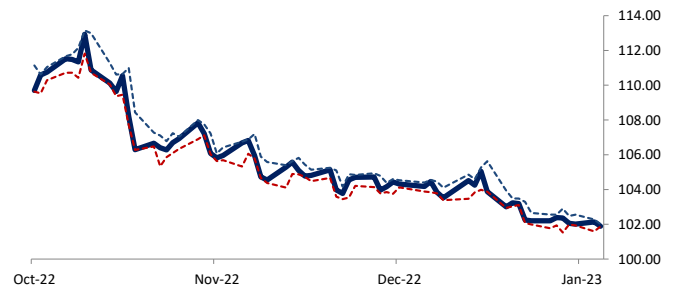
**Kuwaiti Dinar Today**

**0.30520 / 0.30530**

**EUR/USD**  
3-Month Performance



**US Dollar Index**  
3-Month Performance



**Key Market Highlights:**

- The U.S Conference Board leading economic index decreased 1% m/m, greater than the projected decline of 0.7% that markets were anticipating. The index consists of 10 leading economic indicators related to employment, new orders, consumer confidence, housing, credit trends, interest rate spreads, and stock market prices. Historically, a faster than expected decline is correlated with entering a recession. On average, the index peaks a year before entering a recession, which appears to have occurred in February 2022. Despite this, the U.S Dollar index continues to trade around the 102.00 mark, as U.S equities rally with the S&P 500 gaining 1.19%. Markets are hopeful that the slowing economic figures means that the Federal Reserves can adopt a less hawkish stance and possibly cut rates by the end of the year. However, Fed officials so far have signaled that they will hike and maintain restrictive rates throughout the year. Markets will turn their attention to earnings and the Fed meeting over the next week to look for signals and guidance on economic health and monetary policy outlook.
- The European Central Bank governing council met on Monday evening in Eschborn, Germany to discuss the Eurozone's monetary policy. ECB will keep raising interest rates rapidly to slow inflation. President Christine Lagarde revealed on Monday, clarifying that ECB interest rates will still have to rise significantly at a steady pace to reach levels that are sufficiently restrictive, and stay at those levels for as long as necessary. According to Lagarde, the European Central Bank will do everything necessary to return inflation to its 2% target.
- Moreover, underlying inflation continues to rise despite the recent drop in energy prices. Major attention was given to ECB Governing Council Member Peter Kazimir, who is convinced that there is a need to deliver two more hikes by 50 basis points. The idea of a 50 bps rate hike was something that many policymakers have refrained from in recent days. While officials appear to be in agreement on the next 50 basis-point move that will come in February, the debate on what to do beyond is heating up. Hawks have been more vocal lately on maintaining hike pace.

**Chart Points and Other Technical Input**

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0662	1.0744	<b>1.0873</b>	1.0926	1.1000
GBP	1.2223	1.2320	<b>1.2382</b>	1.2447	1.2500
JPY	128.33	129.17	<b>130.27</b>	131.00	131.50
CHF	0.9100	0.9168	<b>0.9214</b>	0.9253	0.9338

**Major Currencies**

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0868	1.63	EUR/GBP	0.8780	(0.74)
GBP/USD	1.2373	2.38	GBP/JPY	161.68	1.68
USD/JPY	130.6600	(0.72)	EUR/JPY	142.04	0.92
USD/CHF	0.9217	(0.31)	EUR/CHF	1.0019	1.29

**Brief Technical Commentary**

EUR/USD: EUR seems to top resistance on 1.0926 as more hawkish comments from the ECB pushing EUR to new highs. The weak US dollar will surely assist the EUR higher and the bullish trend indicated to 1.10. Any more sell off we will test support levels of 1.08 and 1.0744.

GBP/USD: GBP economic numbers are not bad as was feared before nevertheless the weak US dollar is pushing GBP to the 1.24 territory. The bullish trend seems strong on the daily chart hence expectation of reaching 1.25 is reasonable.

**Local & Global Rates**

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.38	3.63	4.06	4.31	4.56
USD	4.30	4.53	4.66	4.81	4.84
EUR	1.90	2.00	2.42	2.90	3.33
GBP	3.43	3.74	3.97	4.21	4.37

**Economic Events**

Date	Country	Event	Actual	Forecast	Previous
23-Jan-23	EUR	ECB President Lagarde Speaks			
24-Jan-23	GBP	Flash Services PMI		49.6	49.9
24-Jan-23	USD	Flash Services PMI		45.0	44.7
24-Jan-23	EUR	German Flash Services PMI		49.6	49.2
25-Jan-23	AUD	CPI y/y		7.5%	7.3%
25-Jan-23	CAD	BOC Monetary Policy Report			
26-Jan-23	USD	Advance GDP q/q		2.6%	3.2%
26-Jan-23	USD	Unemployment Claims		203K	190K
27-Jan-23	JPY	Tokyo Core CPI y/y		4.2%	4.0%
27-Jan-23	USD	Core PCE Price Index m/m		0.3%	0.2%

**Government Yields**

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.65	4.23	3.61	3.51	3.69
Germany	2.65	2.60	2.24	2.20	2.08
United Kingdom	3.55	3.41	3.25	3.35	3.70
Japan	-0.05	-0.02	0.17	0.40	1.53

**Commodities**

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	87.03	0.00	Dow Jones	33,629.56	0.76
Brent	88.05	1.49	Nikkei 225	27,330.99	1.58
West Texas	81.72	1.88	S&P 500	4,019.81	1.19
Gold	1,934.15	0.12	KuwaitSE	7,362.77	1.18

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