

Kuwaiti Dinar Today

0.30515 / 0.30525

Key Market Highlights:

- Markets were highly anticipating the consumer prices data from the US economy as it would help guide the prospect of the hiking cycle by the Fed. On Thursday, headline consumer prices in the United States fell from 7.1% to 6.5% on annual basis and in line with the market consensus. As for the core inflation figure, it fell from 6% to 5.7% in December. Adding more details to the picture, motor fuel prices dropped by 0.6% on monthly basis and food prices continued to increase for the 20th month in a row by 0.3%. Taking a closer look into core inflation will show a drop in the price index for used cars and trucks by 2.4% on a monthly basis, which was a key driver to the easing core inflation data.
- Following the CPI data, the markets have priced in two hikes each worth 25 basis points in Feb and March taking the fed rate to 5.00%. The market also priced in the first cut of 0.25% as early as November 2023. The upcoming Fed meeting in a couple of weeks should shed more light on the path of interest rates by the central bank given the recent inflation data and tight labor market.
- On the forex front, markets heavily reacted on Friday, following the latest news coming out from the US. Markets took a firmer direction towards shorting the greenback given the expected narrowing interest rate differentials. The EUR/USD currency pair reached a high of 1.0867 on Friday, in a figure not triumphed since April 2022, while currently trading at 1.0828. While the Japanese yen continued to strengthen against the weakening dollar, with the currency pair hitting a low of 127.45 on Friday, unmatched since May 2022. Following suit, the US Dollar Index ended the day at 102.204, surpassing the previous seven-month low of 103.047.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0657	1.0752	1.0828	1.0866	1.0945
GBP	1.2000	1.2111	1.2226	1.2322	1.2442
JPY	126.85	127.45	127.88	128.88	129.43
CHF	0.9156	0.9207	0.9256	0.9350	0.9400

Brief Technical Commentary

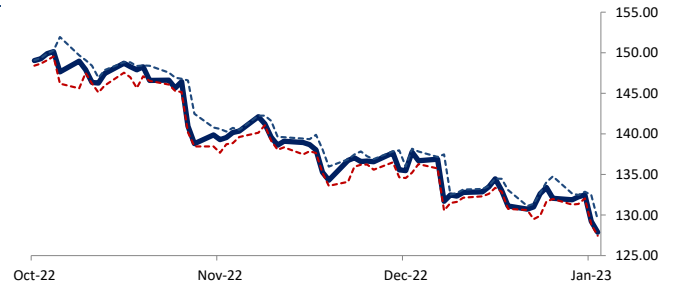
EUR/USD: EUR bullish trend broke resistance 1.0760 to high of 1.0866 after Inflation figures from the US on late Thursday. With the Fed easing and the ECB pushing for higher rates we expect the trend to continue to 1.10 psychological level before it retraces to support levels.

GBP/USD: The weakness of the US dollar is pushing all currencies including Cable to new highs extending beyond the 200 MA of 1.2111. Next targets should push to 1.22 and 1.23 resistance levels, nevertheless GBP seems weak and needs more good numbers from the UK. Support levels are 1.22 and 1.2150

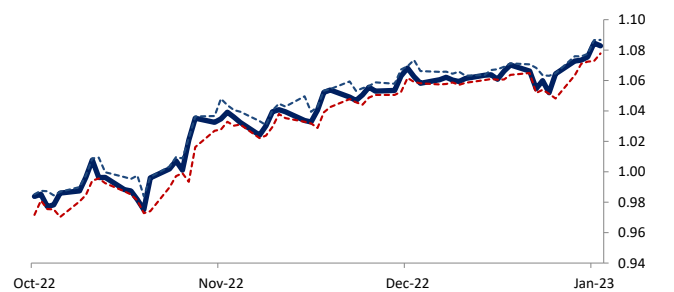
Economic Events

Date	Country	Event	Actual	Forecast	Previous
16-Jan-23	JPY	PPI y/y		9.5	9.3
16-Jan-23	GBP	BOE Gov Bailey Speaks			
17-Jan-23	CNY	GDP q/y		1.6%	3.9%
17-Jan-23	CAD	CPI m/m		-0.6%	0.1%
18-Jan-23	JPY	Monetary Policy Statement			
18-Jan-23	GBP	CPI y/y		10.5%	10.7%
18-Jan-23	USD	PPI m/m		-0.1%	0.3%
19-Jan-23	EUR	ECB President Lagarde Speaks			
19-Jan-23	USD	Unemployment Claims		212K	205K
19-Jan-23	USD	FOMC Member Brainard Speaks			

USD/JPY
3-Month Performance



EUR/USD
3-Month Performance



Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0828	1.18	EUR/GBP	0.8855	0.12
GBP/USD	1.2226	1.07	GBP/JPY	156.32	(1.43)
USD/JPY	127.8800	(2.48)	EUR/JPY	138.50	(1.28)
USD/CHF	0.9265	0.23	EUR/CHF	1.0033	1.39

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	4.48	4.63	4.79	4.82
EUR	1.90	1.91	2.33	2.88	3.32
GBP	3.43	3.59	3.85	4.10	4.29

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.67	4.22	3.60	3.49	3.61
Germany	2.61	2.58	2.20	2.17	2.04
United Kingdom	3.39	3.44	3.29	3.36	3.72
Japan	-0.01	0.02	0.27	0.50	1.60

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	84.16	0.49	Dow Jones	34,302.61	0.33
Brent	85.28	1.49	Nikkei 225	26,119.52	(1.25)
West Texas	79.86	1.88	S&P 500	3,999.09	0.40
Gold	1,920.66	1.23	KuwaitSE	7,131.47	(1.34)

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