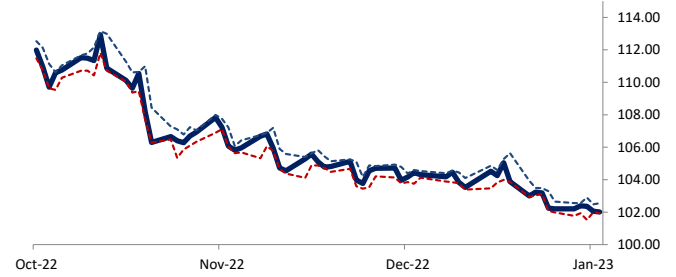


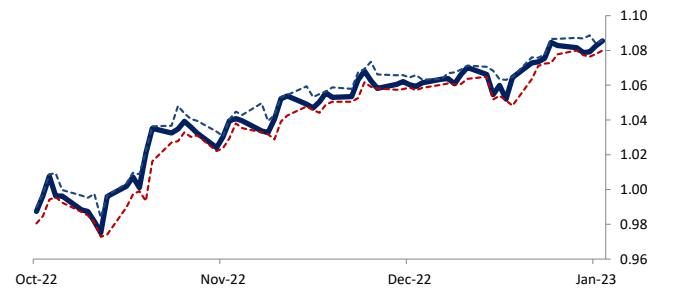
**Kuwaiti Dinar Today**

**0.30520 / 0.30530**

**US Dollar Index**  
3-Month Performance



**EUR/USD**  
3-Month Performance



**Key Market Highlights:**

- On Thursday, jobless claims in the United States fell to a four month low of 190,000 compared to the previous reading of 205,000. The print came in much lower than the market expectation of 214,000 claims. Despite the surprising print and very tight labor market, the US dollar index struggled to gain anything meaningful, trading around the 102.00 figure as market speculators continue to bet on smaller Fed rate hikes and a less hawkish policy. Meanwhile, Friday's existing-home sales fell for an eleventh straight month, but came in falling much less than market expectations. The actual 4.02M figure means existing home sales dropped 1.5% vs an expected 4.5% drop. Furthermore, the US hit the debt ceiling, currently \$31.4 trillion, forcing the Treasury to borrow more to prevent eventually putting the US government in default. In the short term, reinvestment in workplace retirement plans for federal employees have been suspended, allowing the government to pay obligations until June. Meanwhile, raising the limit lies in a political limbo.
- China's decision to reopen its economy will raise inflation in Europe as both compete for more energy, according to ECB President Lagarde. There has been extensive debate this week at the World Economic Forum in Switzerland, about whether Beijing's decision to end its zero-Covid policy will bring more or less inflation. Some argue that because supply chains are being restored, China reopening might ease some of the inflationary pressures that Europe has faced in recent months. Additionally, others note that China will be consuming more energy and this will add to ongoing inflationary pressures. The International Energy Agency has warned that European companies might face higher costs when looking to purchase natural gas this year as there will be more competition for the commodity.
- When it comes to Forex, the EUR/USD currency pair ended the week at 1.0855, which was around the average trading level for the pair last week. Meanwhile, the British pound continued its upwards trend against the US Dollar ending the week at 1.2393. The Japanese yen on the other hand continues to hold firm against the US Dollar with the currency pair ending the week below the critical 130 level, at 129.57.

**Chart Points and Other Technical Input**

| CCY | 2nd Support | 1st Support | Spot          | 1st Resistance | 2nd Resistance |
|-----|-------------|-------------|---------------|----------------|----------------|
| EUR | 1.0650      | 1.0760      | <b>1.0855</b> | 1.0950         | 1.1050         |
| GBP | 1.2195      | 1.2290      | <b>1.2393</b> | 1.2490         | 1.2590         |
| JPY | 127.50      | 128.50      | <b>129.57</b> | 130.60         | 131.55         |
| CHF | 0.9010      | 0.9105      | <b>0.9204</b> | 0.9290         | 0.9390         |

**Major Currencies**

| CCY     | Closing Rate | YTD %  | CCY     | Closing Rate | YTD %  |
|---------|--------------|--------|---------|--------------|--------|
| EUR/USD | 1.0855       | 1.43   | EUR/GBP | 0.8755       | (1.01) |
| GBP/USD | 1.2393       | 2.45   | GBP/JPY | 160.56       | 1.25   |
| USD/JPY | 129.5700     | (1.17) | EUR/JPY | 140.64       | 0.24   |
| USD/CHF | 0.9204       | (0.43) | EUR/CHF | 0.9988       | 0.94   |

**Brief Technical Commentary**

EUR/USD: The pair moved up to the 1.0859 level during Friday's trading session and closed the week at 1.0855. EUR/USD Supports are at (1.0650-1.0760) any break below would take the pair down to 1.0570. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2404 level during Friday's trading session and closed the week at 1.2393. GBP/USD Supports are at (1.2195-1.2290) any break below would take the pair down to 1.2140. Short term outlook is Bullish.

**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 | 4.31 | 4.52    | 4.66    | 4.80    | 4.82   |
| EUR | 1.90 | 2.00    | 2.42    | 2.90    | 3.33   |
| GBP | 3.43 | 3.70    | 3.94    | 4.18    | 4.36   |

**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  | 4.66   | 4.17   | 3.56   | 3.48    | 3.65    |
| Germany        | 2.68   | 2.56   | 2.20   | 2.17    | 2.04    |
| United Kingdom | 3.53   | 3.43   | 3.27   | 3.36    | 3.70    |
| Japan          | -0.07  | -0.04  | 0.18   | 0.34    | 1.52    |

**Commodities**

| Index      | Last Price | % Change | Index      | Last Price | % Change |
|------------|------------|----------|------------|------------|----------|
| Kuwait Oil | 87.03      | 0.74     | Dow Jones  | 33,375.49  | 1.00     |
| Brent      | 87.63      | 1.49     | Nikkei 225 | 26,553.53  | 0.56     |
| West Texas | 81.64      | 1.88     | S&P 500    | 3,972.61   | 1.89     |
| Gold       | 1,927.18   | (0.24)   | KuwaitSE   | 7,256.91   | 0.60     |

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein. For further information or discussion, please contact the Treasury Services Desk on TSD\_LIST@NBK.COM or +965 2221 6603 (FAX +965 2229 1441).