

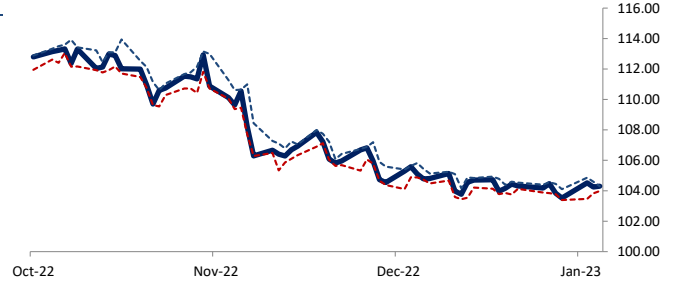
Kuwaiti Dinar Today

0.30620 / 0.30630

Key Market Highlights:

- In what is arguably considered the most significant news coming out this week, the FOMC minutes were released last night. All Fed officials had unanimously agreed that US central bank should slow down on their aggressive interest rate hikes during their December meeting. This stance was again articulated in the minutes released last night, as policymakers are still focused on controlling the pace of price increases. Additionally, policymakers also expressed their concern about financial markets misinterpreting their commitment to fighting inflation, as the minutes reiterated that "it would be important to clearly communicate that a slowing in the pace of rate increases was not an indication of any weakening of the Committee's resolve to achieve its price stability goal." In the longer run, Fed officials have projected that the interest rate, currently in a range between 4.25%-4.5%, would rise to just over 5% by the end of 2023. Although interest-rate futures indicate that traders are largely betting on the Fed lifting interest rates to around 5% in the upcoming months, before starting to cut down during the second half of the year.
- Moreover, the ISM manufacturing index, a key indicator of the health of the US economy, fell from 49.0 in November to 48.4 in December, marking the second consecutive month of contraction holding the index below the 50 breakeven level. In a more positive note, the JOLTS Job Openings came in much better than expected, as the latest reading of 10.46 million dwarfs the expected 10.04 million. This comes to show that firms are still continuing to hire despite the economic struggles.
- On the Forex front, the US Dollar Index is looking to regain the immediate resistance of 104.00, while the 10-year US Treasury yields have also rebounded to around 3.72%. The EUR/USD continues to trade around the 1.0602 price, while the USD/JPY pair has rebounded to around 132.50 after dropping below 132.00.

US Dollar Index
3-Month Performance



US 10-Year Treasury Yield (%)
3-Month Performance

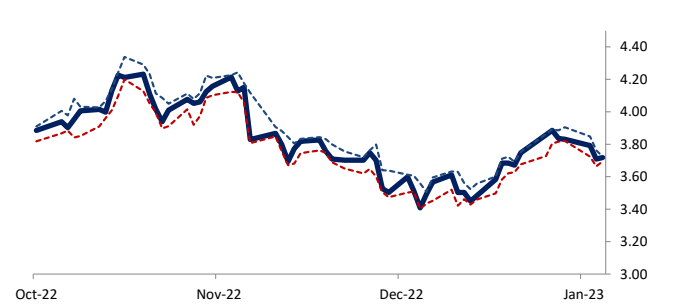


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0500	1.0565	1.0606	1.0650	1.0710
GBP	1.1910	1.1985	1.2035	1.2085	1.2130
JPY	130.90	131.70	132.30	132.70	133.45
CHF	0.9190	0.9250	0.9293	0.9345	0.9395

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0599	(0.91)	EUR/GBP	0.8794	(0.38)
GBP/USD	1.2053	(0.51)	GBP/JPY	159.90	0.58
USD/JPY	132.6200	1.08	EUR/JPY	140.62	0.19
USD/CHF	0.9294	0.63	EUR/CHF	0.9857	(0.27)

Brief Technical Commentary

EUR/USD: During yesterday's session, the pair moved higher then when the hawkish FOMC minutes came it dropped towards (1.0579), and currently trading at (1.0606). We have a resistance at (1.0650) and a breakout below (1.0565) will take us lower. Short term outlook is bearish.

GBP/USD: During yesterday's session, the cable failed to break the (1.2085) resistance and dropped towards (1.2011) during the FOMC meeting. The cable is currently trading at (1.2035) and we have our supports set at (1.1985-1.1910). Shortterm outlook is bearish.

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.38	3.56	4.06	4.31	4.56
USD	4.31	4.36	4.60	4.80	4.89
EUR	1.84	1.85	2.17	2.74	3.32
GBP	3.43	3.49	3.78	4.07	4.38

Economic Events

Date	Country	Event	Actual	Forecast	Previous
02-Jan-23	EUR	German Final Manufacturing PMI	47.1	47.4	47.4
02-Jan-23	CNY	Caixin Manufacturing PMI	49.0	48.8	49.4
04-Jan-23	CHF	CPI m/m	-0.2%	-0.1%	0.0%
04-Jan-23	USD	JOLTS Job Openings	10.46M	10.05M	10.33M
04-Jan-23	USD	FOMC Meeting Minutes			
04-Jan-23	USD	ISM Manufacturing PMI	48.4	48.5	49.0
05-Jan-23	USD	ADP Nonfarm Employment Change		145K	127K
06-Jan-23	EUR	CPI Flash Estimate y/y		9.6%	10.1%
06-Jan-23	USD	Unemployment Rate		3.7%	3.7%
06-Jan-23	USD	Average Hourly Earnings m/m		0.4%	0.6%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.65	4.39	3.88	3.71	3.82
Germany	2.67	2.55	2.30	2.28	2.14
United Kingdom	3.05	3.39	3.47	3.49	3.82
Japan	-0.01	0.01	0.21	0.41	1.62

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	78.55	(1.03)	Dow Jones	33,269.77	0.40
Brent	78.82	0.03	Nikkei 225	25,835.44	0.46
West Texas	73.82	0.14	S&P 500	3,852.97	0.75
Gold	1,852.60	(0.11)	KuwaitSE	7,082.68	(0.72)

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