

Highlights in the Foreign Exchange Market:

- Business activity globally deteriorated in July as manufacturers and service providers signaled sluggish demand, adding to heightened recession anxieties. In the US, service activity contracted and manufacturing activity eased, as the rising cost of living, higher interest rates, and a growing gloom wiped the pent-up demand, pointing to a worrying decline in economic conditions. The US Treasury yield curve remains inverted, the 10-year yield stood at 2.75% while the 2-year yield stood at 2.97%.
- Similarly in Europe, output worsened among manufacturers while growth in the service sector came close to stalling, adding to signs that recession might be on the horizon and underscoring the vulnerability of the Eurozone economy after the European Central Bank (ECB) delivered a bigger-than-expected 50bp rate hike, the first hike in 11 years. Activity in the largest two economies in Europe, Germany and France, unexpectedly hit the brakes hard with most of the figures scoring below 50, in contractionary territory. Energy supplies remain a major concern as Russia reduces natural gas flows in response to Western sanctions.
- Flagging worry signs on worsening economic activity in the US sapped flows from the dollar and sent them to other major peers. After failing to rally following the ECB rate hike, the euro banked on the dollar's weakness, ending the week at 1.0214. The sterling closed right above 1.2005. The Japanese yen fed on the renewed dollar's weakness, ending the week on the lower edge of 136, away from its recent decade lows.
- Softer European economic data and signals of US fuel demand stalling soured the market outlook in commodities. Brent closed the week at \$103.20 and WTI closed the week at \$94.70.

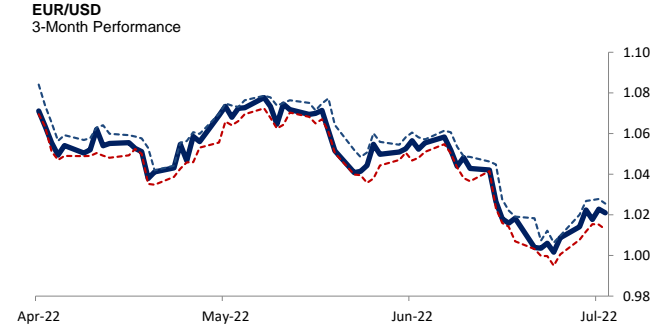
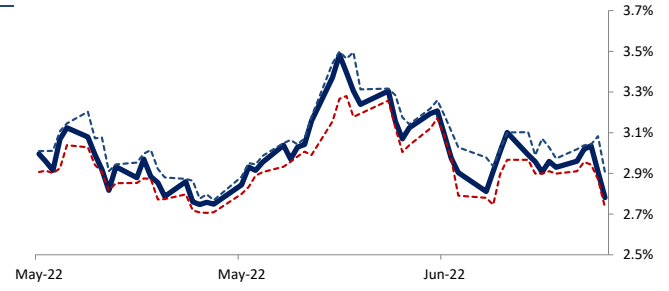


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0030	1.0120	1.0210	1.0310	1.0410
GBP	1.1810	1.1910	1.2002	1.2120	1.2220
JPY	134.20	135.15	136.05	137.05	138.05
CHF	0.9420	0.9520	0.9613	0.9710	0.9820

Major Currencies

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.0210	(0.19)	EUR/GBP	0.8509	1.30	
GBP/USD	1.2002	(1.29)	GBP/JPY	163.16	5.07	
USD/JPY	136.0500	13.24	EUR/JPY	138.95	6.62	
USD/CHF	0.9613	3.38	EUR/CHF	0.9821	(5.29)	

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.0128 level during Friday's trading session and closed the week at 1.0210. EUR/USD Supports are at (1.0120-1.0030) any break below would take the pair down to 0.9950. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2063 level during Friday's trading session and closed the week at 1.2002. GBP/USD Supports are at (1.1910-1.1810) any break below would take the pair down to 1.1760. Short term outlook is Bearish.

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	1.56	1.81	2.13	2.38	2.69
USD	1.53	2.28	2.56	2.98	3.24
EUR	-0.42	-0.17	0.20	0.71	1.20
GBP	1.19	1.45	1.76	2.17	2.57

Economic Events

Date	Country	Event	Actual	Forecast	Previous
22-Jul-22	EUR	French Flash Services PMI	52.1	52.6	53.9
22-Jul-22	EUR	French Flash Manufacturing PMI	49.6	51.1	51.4
22-Jul-22	EUR	German Flash Manufacturing PMI	49.2	50.6	52.0
22-Jul-22	EUR	German Flash Services PMI	49.2	51.4	52.4
22-Jul-22	USD	Flash Services PMI	47.0	52.6	52.7
22-Jul-22	USD	Flash Manufacturing PMI	52.3	52.0	52.7
25-Jul-22	EUR	German ifo Business Climate		90.0	92.3
26-Jul-22	USD	CB Consumer Confidence		96.8	98.7
27-Jul-22	AUD	CPI q/q		1.9%	2.1%
27-Jul-22	USD	Federal Funds Rate		2.50%	1.75%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.97	2.97	2.84	2.75	2.97
Germany	0.36	0.39	0.77	1.03	1.26
United Kingdom	1.96	1.80	1.68	1.92	2.43
Japan	-0.17	-0.10	-0.02	0.20	1.21

Commodities

Index	Last Price	% Change	Global Indices	Index	Last Price	% Change
Kuwait Oil	107.98	(0.21)	Dow Jones	31,899.29	(0.43)	
Brent	103.20	(0.64)	Nikkei 225	27,914.66	(0.40)	
West Texas	94.70	(1.71)	S&P 500	3,961.63	(0.93)	
Gold	1,728.46	0.46	KuwaitSE	7,670.70	1.69	

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