

Treasury Daily Newsletter

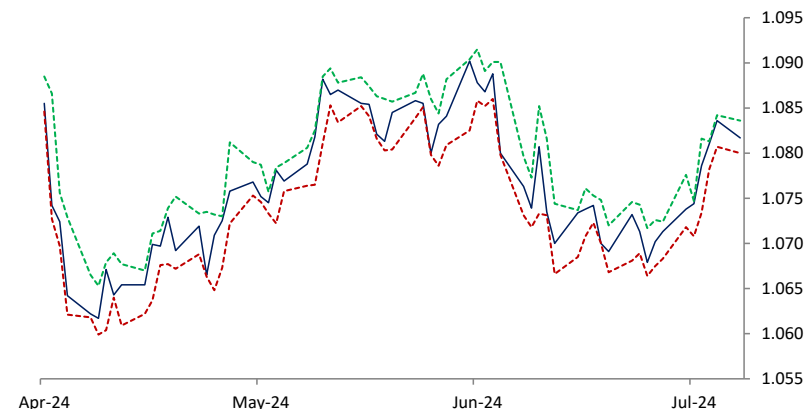
8-Jul-24

Kuwaiti Dinar Today 0.30585 / 0.30595

Key Market Highlights:

- The US June non-farm payrolls report shows a slight slowing in the labour market, where 206k jobs were added in June, higher than expectations of 191k, yet lower than the previous 218k figure. The job growth was mainly attributed to government employment as well as the healthcare sector. Meanwhile, unemployment rate came in at 4.1%, higher than the previous 4.0% figure seen in May. While average hourly earnings were at 0.3%, in line with expectations. The data comes in-line with the substantial decrease in manufacturing and services activity as seen in the ISM surveys published the week before, while the US Dollar lost some momentum following the report release, last seen trading at 104.97.
- European Central Bank (ECB) president Christine Lagarde stressed that more data is needed to reassure her that further rate cuts are appropriate after the central bank delivered a 25bps cut in June. "We still believe that it, it's likely to be a bumpy road until the end of 2024" said Lagarde. She added that additional rate cuts are "not a predetermined path... it's a step that would be followed by further review of data." Moreover, Lagarde lamented about elevated services inflation, highlighting higher wages as a factor in contributing to it. Finally, she admitted that the central bank takes into account the spillover effects of the monetary policy of the Fed, however they "also determine monetary policy on the basis of what we see in our economy." Markets are pricing in two further 25bps rate cuts by year-end, taking the deposit rate to 3.25%.

EUR/USD
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0720	1.0785	1.0828	1.0890	1.0920
GBP	1.2700	1.2760	1.2812	1.2860	1.2900
JPY	159.40	160.00	160.50	161.00	161.85
CHF	0.8835	0.8900	0.8951	0.9000	0.9050

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0836	1.98	EUR/GBP	0.8457	2.56
GBP/USD	1.2808	0.60	GBP/JPY	205.87	14.60
USD/JPY	160.7200	13.89	EUR/JPY	174.22	11.68
USD/CHF	0.8960	6.33	EUR/CHF	0.9708	4.25

Brief Technical Commentary

GBP/USD: The GBP strengthened against the USD the past week. Currently trading at (1.2812) a break above (1.2860) could see the pair test the (1.2900) resistance level. On the other hand support levels are at (1.2760-1.2700). Currently the pair is trading above the 50,100,200 SMA (on Daily chart).

USD/JPY: The yen has gained ground over the weekend pushing the pair to head towards 160, currently it is trading at (160.50). The next support levels is at (160.00 -159.40) and resistance is at (161.00-161.85).

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	90.61	1.32	Dow Jones	39,375.87	0.17
Brent	86.40	0.16	Nikkei 225	40,780.70	0.32
West Texas	82.89	0.32	S&P 500	5,567.19	0.54
Gold	2,383.80	0.32	KuwaitSE	7,011.83	0.40

Economic Events	Country	Event	Actual	Forecast	Previous
7-Jul-24	EUR	French Parliamentary Elections			
9-Jul-24	USD	Fed Chair Powell Speaks			
10-Jul-24	CNY	CPI y/y		0.4%	0.3%
10-Jul-24	CNY	PPI y/y		-0.8%	-1.4%
10-Jul-24	NZD	Official Cash Rate		5.5%	5.5%
11-Jul-24	GBP	GDP m/m		0.2%	0.0%
11-Jul-24	USD	CPI y/y		3.1%	3.3%
11-Jul-24	USD	Unemployment Claims		236K	238K
12-Jul-24	USD	PPI m/m		0.1%	-0.2%
12-Jul-24	USD	Prelim UoM Consumer Sentiment		67.0	68.2

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.38	4.00	4.31	4.44	4.69
USD	5.33	5.33	5.31	5.23	5.01
EUR	3.61	3.64	3.71	3.68	3.59
GBP	5.20	5.19	5.10	5.03	4.86

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.96	4.61	4.23	4.29	4.49
Germany	3.23	2.89	2.53	2.53	2.72
United Kingdom	4.59	4.12	3.97	4.12	4.62
Japan	0.16	0.35	0.59	1.08	2.20

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