

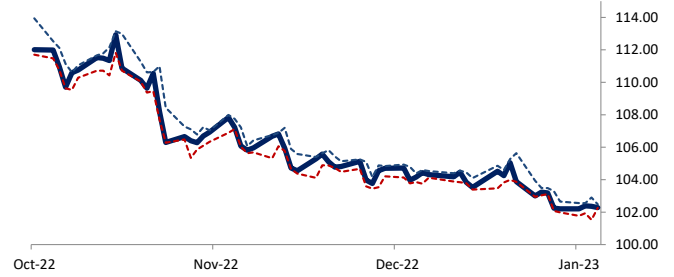
Kuwaiti Dinar Today

0.30520 / 0.30530

Key Market Highlights:

- The United States producer price index caused extreme reactions by the markets, signaling further decline in inflation projections. Headline U.S PPI dropped to 6.2% as opposed to the forecasted 6.8%, while core PPI fell to 5.5% against the expected 5.9%. Retail sales plummeted 1.1% against the consensus of -0.8%. An intense sell-off in U.S equities ensued following the PPI and retail sales print, with the market concerned about earnings and declining retail demand. The S&P 500 plunged 1.56%, as the Dow Jones and NASDAQ followed closing in deep red. 10-year U.S treasury yields continue to decline, dropping to 3.326%. Additionally, the U.S dollar index remains around the 102.3 level, trading around its lowest levels since May 2022. Lower than anticipated data is fueling market speculation that the Federal Reserve can adopt a less hawkish outlook to interest rate policy, however so far Fed policymakers have not signaled that they are considering altering their stance. Most Fed policymakers have forecasted a 5.00%-5.25% policy rate in the coming months.
- UK inflation fell for a second consecutive month in December, building hope that the worst cost-of-living crisis in a generation may be starting to ease. According to the office for National Statistics, Consumer prices rose 10.5% from a year earlier, slower than the 10.7% gain in November and a peak above 11% in October, when domestic energy bills surged. In line with David Bhatia, head of research at the British Chambers of Commerce, the data "suggests the peak has now passed" for inflation, "but this simply means that prices will stabilize at a much higher level than one year ago." Inflation remains five times higher than the UK government's 2% target and has sparked a wave of strikes by public sector workers as wages fall short. Prime Minister Rishi Sunak has made halving inflation one of his five key pledges for the year. The Bank of England expects inflation to subside in 2023. Some economists are starting to discuss an end to the BOE's tightening cycle, which has delivered the fastest rate rises in three decades.

US Dollar Index
3-Month Performance



GBP/USD
3-Month Performance

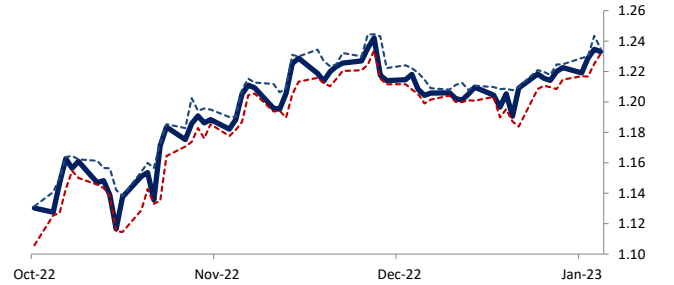


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0690	1.0740	1.0792	1.0830	1.0900
GBP	1.2230	1.2290	1.2330	1.2380	1.2435
JPY	126.90	127.50	128.08	128.70	129.20
CHF	0.9040	0.9110	0.9157	0.9215	0.9275

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0792	0.85	EUR/GBP	0.8743	(1.06)
GBP/USD	1.2346	1.98	GBP/JPY	159.11	(0.50)
USD/JPY	128.8800	(2.42)	EUR/JPY	139.16	(1.57)
USD/CHF	0.9160	(0.51)	EUR/CHF	0.9888	(0.06)

Brief Technical Commentary

EUR/USD: During yesterday's trading session, the pair had a volatile movement and retested a low at (1.0793) then retested the high at (1.0887). Currently trading at (1.0792), we have our resistance at (1.0830) and we expect it to continue to drop towards our support levels at (1.0740-1.0690).

GBP/USD: During yesterday's trading session, the cable made a new high at (1.2435) and currently trading at (1.2330). We expect the cable to continue lower towards our support levels at (1.2290-1.2230) and our resistance level is set at (1.2380).

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	4.49	4.64	4.80	4.84
EUR	1.90	1.98	2.34	2.88	3.34
GBP	3.43	3.69	3.92	4.17	4.37

Economic Events

Date	Country	Event	Actual	Forecast	Previous
16-Jan-23	JPY	PPI y/y	10.2%	9.5%	9.3%
16-Jan-23	GBP	BOE Gov Bailey Speaks			
17-Jan-23	CNY	GDP q/y	2.9%	1.6%	3.9%
17-Jan-23	CAD	CPI m/m	-0.6%	-0.6%	0.1%
18-Jan-23	JPY	Monetary Policy Statement			
18-Jan-23	GBP	CPI y/y	10.5%	10.5%	10.7%
18-Jan-23	USD	PPI m/m	-0.5%	-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			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.61	4.05	3.39	3.33	3.50
Germany	2.55	2.43	2.03	2.02	1.87
United Kingdom	3.51	3.42	3.24	3.30	3.65
Japan	-0.04	-0.01	0.21	0.40	1.54

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	83.51	(3.74)	Dow Jones	33,296.96	(1.81)
Brent	83.96	1.49	Nikkei 225	26,427.25	(1.36)
West Texas	78.37	1.88	S&P 500	3,928.86	(1.56)
Gold	1,909.69	0.28	KuwaitSE	7,213.70	0.06

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