

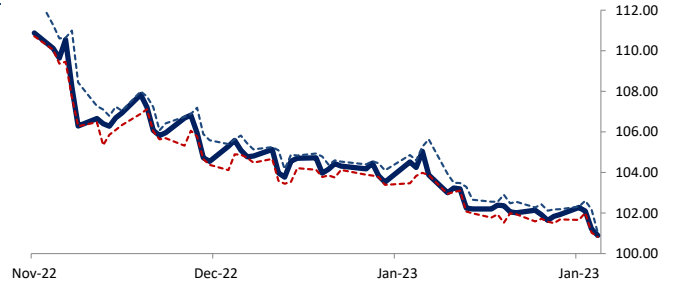
Kuwaiti Dinar Today

0.30460 / 0.30470

Key Market Highlights:

- Federal Reserve chair Jerome Powell spoke after the decision to raise interest rates by 25 bps to 4.75%. Jerome Powell said that he sees for the first time “the disinflationary process has started.” However, he did stress that it was “premature to declare victory” on inflation and lamented on the tight labor market with unemployment near 50 year lows. Furthermore, Powell signaled that they are thinking about “a couple more rate hikes” to get to an appropriately restrictive level. Despite this, Powell also signaled that the Fed are giving themselves leeway for future monetary policy moves, saying that it is “certainly possible” terminal rates remain under 5% but that its dependent on data. Powell’s base case remains that there will be growth this year, though at a “subdued pace.” Financial conditions eased further after Powell’s comments, with equities rallying and bond yields falling. The U.S dollar index fell nearly 100 pips trading around the 100.880 mark, down from the 102.00 figure it was hovering around over the past weeks. Markets are pricing in cuts by the end of the year, as Powell’s comments were less hawkish than expected and are looking towards March where it is expected the Fed will give a clearer signal on their outlook for monetary policy.
- In the Eurozone, the European Central Bank is expected to hike rates on Thursday by 50 bps. CPI flash of the region came in at 8.5%, much less than market expectations of 9.0% and significantly less than the previous print of 9.2%. Despite this, inflation remains elevated and ECB officials maintained their hawkish tone, signaling that more hikes are coming. The Euro strengthened against the U.S dollar after the FOMC meeting, with the EUR/USD currency pair trading around the 1.1020 figure. Markets will turn their attention to the ECB’s decision where officials are expected to continue reiterating their hawkish message.

US Dollar Index
3-Month Performance



EUR/USD
3-Month Performance

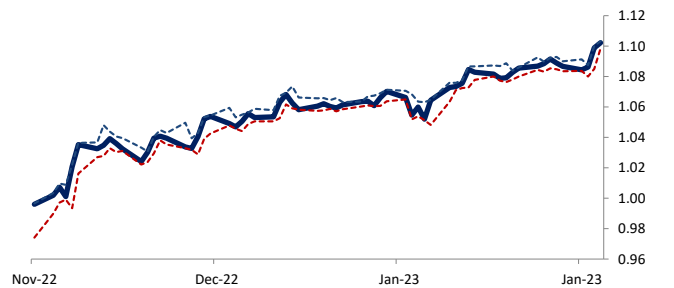


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0910	1.0975	1.1020	1.1070	1.1125
GBP	1.2278	1.2340	1.2390	1.2440	1.2500
JPY	127.20	127.75	128.45	129.00	129.60
CHF	0.8970	0.9015	0.9070	0.9105	0.9150

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0989	2.96	EUR/GBP	0.8879	0.52
GBP/USD	1.2376	2.44	GBP/JPY	159.52	0.46
USD/JPY	128.9300	(1.94)	EUR/JPY	141.67	0.98
USD/CHF	0.9082	(1.89)	EUR/CHF	0.9980	1.01

Brief Technical Commentary

EUR/USD: The pair rallied amidst a less hawkish tone from the FED. It moved from (1.0888) and closed the day at (1.0989). The pair is currently trading at (1.1020) and we expect the pair to continue higher towards resistance levels at (1.1070-1.1125) and support set at (1.0975).

GBP/USD: The cable moved from (1.2317) and closed the day at (1.02376). The cable failed to move above the previous high at (1.2430). A breakout above (1.2440) will take us higher towards (1.2500). Support level is set at (1.2340).

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.63	3.88	4.19	4.44	4.69
USD	4.31	4.57	4.68	4.83	4.85
EUR	1.90	2.18	2.51	2.99	3.41
GBP	3.43	3.86	4.02	4.21	4.32

Economic Events

Date	Country	Event	Actual	Forecast	Previous
31-Jan-23	JPY	Unemployment Rate	2.5%	2.5%	2.5%
01-Feb-23	EUR	CPI Flash Estimate y/y	8.5%	9.0%	9.2%
01-Feb-23	USD	ADP Non-Farm Employment Change	106K	168K	235K
01-Feb-23	USD	FOMC Statement			
01-Feb-23	USD	Federal Funds Rate	4.75%	4.75%	4.5%
02-Feb-23	EUR	ECB Press Conference			
02-Feb-23	GBP	BOE Monetary Policy Report			
02-Feb-23	GBP	Official Bank Rate		4.0%	3.5%
02-Feb-23	CHF	SNB Chairman Jordan Speaks			
03-Feb-23	USD	Unemployment Rate		3.6%	3.5%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.62	4.11	3.51	3.42	3.57
Germany	2.74	2.65	2.31	2.28	2.21
United Kingdom	3.30	3.41	3.19	3.33	3.73
Japan	-0.07	-0.03	0.18	0.49	1.51

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	83.26	(1.78)	Dow Jones	34,092.96	0.02
Brent	83.47	0.77	Nikkei 225	27,418.12	0.26
West Texas	77.12	0.92	S&P 500	4,119.21	1.05
Gold	1,953.62	(0.06)	KuwaitSE	7,307.33	0.41

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