

## Treasury Daily Newsletter

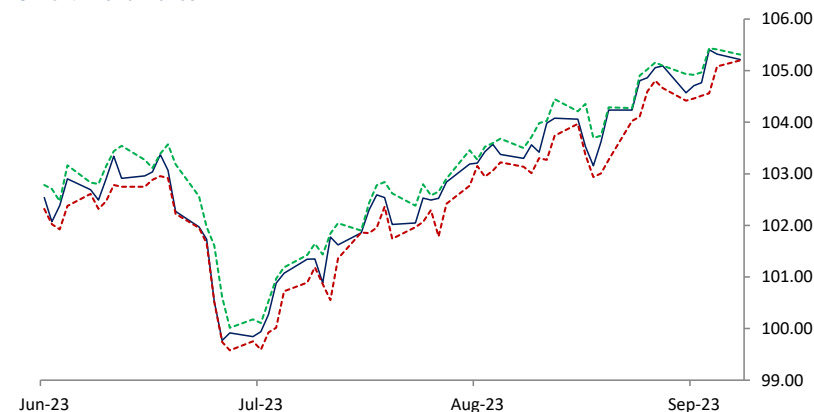
18-Sep-23

Kuwaiti Dinar Today 0.30865 / 0.30875

### Key Market Highlights:

- Consumer sentiment in the US slipped for the second month in a row, with the UoM reading coming in at 67.7 from 69.5 previously and falling below expectations. This comes in despite the fact that consumers are more optimistic about inflation, with year-ahead inflation expectations rising 3.1% versus 3.5% in August. Economists and Fed officials pay close attention to these figures for clues about the direction of the economy and consumer demand. Lowered expectations for future inflation is music to the Fed's ears, however a recent rebound in gas prices due to tightening of supply could affect future readings and cause consumers to revise expectations. The dollar continues to strengthen, with the greenback last trading at 105.21.
- China's industrial output grew 4.5% in August from a year earlier, accelerating from the 3.7% pace seen in July. Meanwhile retail sales, a gauge of consumption, grew at a faster 4.6% pace in August compared to a 2.5% increase in July. The figures followed better than expected bank lending data, narrowing in the declines of exports and imports, as well as easing deflationary pressure. The latest bulk of data indicates that the recent support measures may be starting to stabilize a choppy economic recovery. However, the economy remains pressured by an ailing property sector and high youth unemployment.

**US Dollar Index**  
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0514	1.0630	1.0670	1.0766	1.0832
GBP	1.2275	1.2310	1.2393	1.2461	1.2544
JPY	145.67	146.60	147.70	148.40	149.00
CHF	0.8885	0.8933	0.8971	0.9035	0.9085

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0655	0.30	EUR/GBP	0.8608	2.71
GBP/USD	1.2389	2.50	GBP/JPY	183.01	15.39
USD/JPY	147.8200	12.54	EUR/JPY	157.60	12.25
USD/CHF	0.8974	3.07	EUR/CHF	0.9567	3.37

### Brief Technical Commentary

EUR/USD: EUR rose to currently 1.0670, starting the week strong, targeting 1.07-resistance area. In case we do continue such bullish turnaround, we might stretch to 1.0750. Overall trend is still bearish as market sentiment are more into a stronger US dollar.

GBP / USD: GBP seems to continue the lower lows, trading below the 1.24 Monday. Slight retracement might be triggered to test the 1.2450, as 1.25 should be a psychological point. Further below breakpoints would certainly surpass the 1.23 towards the 1.2250.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	99.73	0.56	Dow Jones	34,618.24	0.83
Brent	96.14	0.02	Nikkei 225	33,533.09	1.10
West Texas	90.88	0.11	S&P 500	4,450.32	1.22
Gold	1,930.32	0.35	KuwaitSE	7,018.52	0.22

Economic Events	Country	Event	Actual	Forecast	Previous
20-Sep-23	CNY	1-Y Loan Prime Rate		3.45%	3.45%
20-Sep-23	GBP	CPI y/y		7.1%	6.8%
20-Sep-23	USD	Federal Funds Rate		5.50%	5.50%
21-Sep-23	CHF	SNB Policy Rate		2.00%	1.75%
21-Sep-23	GBP	Official Bank Rate		5.50%	5.25%
21-Sep-23	USD	Unemployment Claims		222,000	220,000
22-Sep-23	JPY	Policy Rate		-0.10%	-0.10%
22-Sep-23	EUR	Flash Services PMI		47.7	47.9
22-Sep-23	GBP	Flash Services PMI		49.0	49.5
22-Sep-23	USD	Flash Services PMI		50.8	50.5

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.75	4.00	4.25	4.50	4.75
USD	5.30	5.33	5.40	5.47	5.42
EUR	3.69	3.76	3.88	4.06	4.17
GBP	5.18	5.36	5.46	5.56	5.62

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	5.42	5.05	4.48	4.35	4.43
Germany	3.69	3.22	2.71	2.70	2.83
United Kingdom	5.10	5.01	4.52	4.35	4.69
Japan	-0.07	0.02	0.27	0.70	1.67

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