

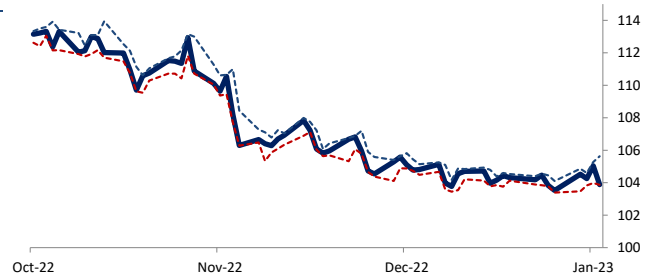
Kuwaiti Dinar Today

0.30605 / 0.30615

Key Market Highlights:

- Starting off with the US, a strong report was released showing decent jobs gain. US Nonfarm payrolls decelerated last month but still managed to beat expectations. Nonfarm payrolls increased by 223,000 for the month, above estimates for 200,000, while the unemployment rate fell to 3.5%, 0.2 percentage point below expectations. Wage growth was less than expected highlighting that inflation pressures could be weakening. Average hourly earnings rose 0.3% for the month and increased 4.6% from a year ago. The respective estimates were for growth of 0.4% and 5%. The reports highlight the strength of the labor market at the end of 2022, despite a burst of layoffs in the technology industry as well as in interest rate-sensitive sectors like finance and housing.
- Over in the Euro zone, inflation has dropped to 9.2% y/y from 10.1% y/y in November doing even better than the estimated forecasted 9.6% y/y. The major reason being the German gas, heating and electricity price support, which households and SMEs received in December. With the market prices for gas and electricity coming down, lower inflation rates were to be expected. There is finally some optimism in the Euro zone with energy inflation dropping quickly and energy supply forecasts improving, signaling that the ECB's 2% inflation target could be reached much sooner than expected.
- The slowdown in wage growth fueled expectations of a less hawkish stance by the Fed, fueling a dollar sell-off across the board. The dollar index reached a high of 105.63 only to lose most of the week's gains and close at 103.911. The euro recovered from 1.0482 to close at 1.0647, while the pound jumped from 1.1838 to a high of 1.2096. Similarly, the Japanese yen appreciated dramatically and pushed the pair to a low of 132.07 and the aussie jumped to 0.6877.

US Dollar Index
3-Month Performance



USD/JPY
3-Month Performance

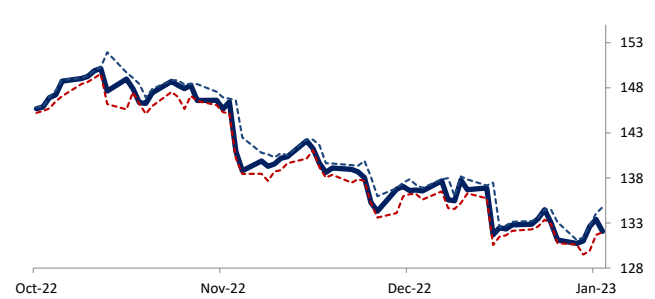


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0290	1.0515	1.0644	1.0780	1.0950
GBP	1.1760	1.1990	1.2092	1.2250	1.2460
JPY	129.45	131.05	132.07	133.40	134.75
CHF	0.9080	0.9150	0.9273	0.9405	0.9550

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0644	(0.54)	EUR/GBP	0.8800	(0.50)
GBP/USD	1.2092	(0.04)	GBP/JPY	159.71	0.71
USD/JPY	132.0700	0.73	EUR/JPY	140.58	0.20
USD/CHF	0.9273	0.31	EUR/CHF	0.9876	(0.19)

Brief Technical Commentary

EUR/USD: During last week's trading session, the pair dropped all the way towards (1.0482) then closed the week at (1.0644). We expect the pair to continue higher towards (1.0780), we have our support set at (1.0515) a breakout below that level will take us lower. short term outlook is bullish.

GBP/USD: During last week's trading session, the cable dropped all the way towards (1.1842) then closed the week at (1.2092). We expect the pair to continue higher towards (1.2250), we have our support set at (1.1990) a breakout below that level will take us lower. short term outlook is bullish.

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	4.41	4.66	4.86	4.97
EUR	1.89	1.90	2.25	2.81	3.33
GBP	3.43	3.49	3.80	4.12	4.45

Economic Events

Date	Country	Event	Actual	Forecast	Previous
9-Jan-23	EUR	Unemployment Rate		6.5%	6.5%
10-Jan-23	CAD	BOC Gov Macklem Speaks			
10-Jan-23	JPY	BOJ Gov Kuroda Speaks			
10-Jan-23	USD	Fed Chair Powell Speaks			
11-Jan-23	AUD	CPI y/y		7.3%	6.9%
11-Jan-23	AUD	Retail Sales m/m		0.7%	-0.2%
12-Jan-23	USD	CPI m/m		0.0%	0.1%
12-Jan-23	USD	CPI y/y		6.5%	7.1%
13-Jan-23	GBP	GDP m/m		-0.3%	0.5%
13-Jan-23	USD	Prelim UoM Consumer Sentiment		60.6	59.7

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.67	4.25	3.70	3.56	3.68
Germany	2.70	2.54	2.22	2.19	2.06
United Kingdom	3.27	3.37	3.43	3.46	3.86
Japan	-0.02	0.01	0.19	0.49	1.60

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	78.11	0.33	Dow Jones	33,630.61	2.13
Brent	78.57	(0.35)	Nikkei 225	25,973.85	0.59
West Texas	73.77	0.34	S&P 500	3,895.08	2.28
Gold	1,866.44	0.00	KuwaitSE	7,157.65	0.50

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