



Highlights in the Foreign Exchange Market:

- The blend of consistent record-breaking inflation figures, stagflation fears, and an aggressive Federal Reserve triggered a massive sell off in bonds and cornered stocks into a bear market in the recent days. Ahead of the Fed meeting today, uncertainty is peaking as markets ponder increments of 50bps and 75bps after the latest data showed inflation in the US threatens to become entrenched in the economy. US Treasury yields retreated slightly, but parts of the yield curve remain inverted, signaling concerns that a restrictive monetary policy will lead to a recession.
- Latest economic data from China came in mixed but showed more signs of health in consumption in May from the previous figures. Industrial production was up 0.7% y/y compared with the 2.9% y/y slump recorded in April when there were more lockdowns in place. However, retail sales were down 6.7% y/y last month, an improvement on the 11.1% decline seen in April but still indicative of serious challenges to Chinese growth in the second quarter.
- The dollar's throne endures in the midst of elevated Treasury yields and a highly anticipated result from today's Fed meeting. The euro was steady trading below 1.0450. The sterling faltered further as it tries to grip 1.2000. The yen was able to redeem itself and shed off 135.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0300	1.0348	1.0430	1.0490	1.0550
GBP	1.1875	1.1935	1.2006	1.2135	1.2210
JPY	133.85	134.50	135.12	135.75	136.44
CHF	0.9835	0.9925	1.0003	1.0025	1.0075

Brief Technical Commentary

EUR / USD: EUR is steady currently at 1.0430- current highs of 1.0450 and 1.0500sh are being sliced. Awaiting for the Fed news today as the US dollar expectation of a more aggressive rate hike will push EUR to lower lows. Support level are 1.0350 and 1.0300 figure with further slip forecasted.

GBP / USD: GBP lowered yet again 3rd day to 1.1932 then recovered to now 1.2010. Fed decision is key to the US dollar strength hence any change in tone might see a rebound to 1.2100-1.2200 range, yet the bearish trend will also push Cable to 1.1800 and 1.1700.

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0414	-7.81	EUR/GBP	0.8681	3.14
GBP/USD	1.1993	-30.63	GBP/JPY	162.49	4.62
USD/JPY	135.4700	13.75	EUR/JPY	141.09	8.05
USD/CHF	1.0015	9.46	EUR/CHF	1.0433	0.94

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	1.38	1.69	2.00	2.25	2.56
USD	0.73	1.48	1.89	2.46	3.18
EUR	-0.57	-0.51	-0.24	0.18	0.96
GBP	0.94	1.26	1.49	1.92	2.57

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Jun-22	USD	CPI m/m	1.0%	0.7%	0.3%
10-Jun-22	USD	Core CPI m/m	0.6%	0.5%	0.6%
14-Jun-22	USD	PPI m/m	0.8%	0.8%	0.5%
14-Jun-22	USD	Core PPI m/m	0.5%	0.6%	0.4%
15-Jun-22	CNY	Industrial Production y/y	0.7%	-1.0%	-2.9%
15-Jun-22	CNY	Retail Sales y/y	-6.7%	-7.0%	-11.1%
15-Jun-22	USD	Retail Sales m/m	0.7%	0.6%	0.6%
15-Jun-22	USD	Core Retail Sales m/m	0.1%	0.9%	0.9%
15-Jun-22	USD	Federal Funds Rate	<1.50%	<1.00%	<1.00%
15-Jun-22	USD	FOMC Statement & Press Conference			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.04	3.30	3.47	3.37	3.37
Germany	0.47	1.12	1.48	1.66	1.82
United Kingdom	1.86	1.93	2.09	2.47	2.66
Japan	-0.11	-0.09	0.05	0.22	1.20

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	119.08	-3.82	Dow Jones	30,364.83	-0.50
Brent	120.01	-0.96	Nikkei 225	26,383.85	-0.92
West Texas	117.72	-1.11	S&P 500	3,735.48	-0.38
Gold	1,827.27	1.00	KuwaitSE	7,400.70	0.14

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