

Kuwaiti Dinar Today

0.30530 / 0.30540

Key Market Highlights:

- After the Federal Reserve hiked rates by 25bps to 4.75%, the markets turned their attention to the non-farm payrolls. In his speech, Jerome Powell cautioned about labor market "imbalance" with unemployment rate near 50-year lows. However, the data released was even more shocking than expected. The January nonfarm payrolls showed an increase of 517,000 jobs, crushing the market expectations of 187,000. The unemployment rate came in at 3.4%, as opposed to the forecasted 3.6%. The dollar index climbed following the report, trading around the 102.990 mark. Meanwhile, equities closed in red on Friday whereas treasury yields shot up following a much hotter job report than anticipated. Although markets are betting that the Fed will cut rates as soon as the end of the year, they will keep their eye on future economic data and Fed meetings to gauge inflationary pressures and potential monetary policies the Fed might adopt.
- The European Central Bank and Bank of England both continued to raise interest rates at a rapid pace on Thursday, while both central banks signaled differently about how much more policymakers will need to restrain the economy to contain inflation. Both central banks raised rates by 50bps, matching the same pace as the last round of hikes in December, unlike the Federal Reserve, which slowed down its pace of rate hikes from December to 25bps. Overall inflation in the European Union continued to slow to 8.5% in the year through January, compared to 9.2% in December. The ECB intends to raise rates by a similar hike at its next policy meeting in March in the face of inflation pressures, keeping the door open for further rate hikes beyond the March meeting. On the other hand, the Bank of England seemed more optimistic, signaling that the central bank could soon stop its interest rate hikes. According to Andrew Bailey, the country had "turned a corner" on inflation, though he warned that there were still plenty of risks ahead.
- Following the monetary policy meetings, the Fed now stands at 4.75%, while the BoE is at 4%, and the ECB deposit rate is at 2.5%.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0663	1.0719	1.0793	1.0850	1.0916
GBP	1.1952	1.2000	1.2051	1.2140	1.2259
JPY	129.68	130.40	131.17	132.11	132.94
CHF	0.9120	0.9216	0.9258	0.9310	0.9489

Brief Technical Commentary

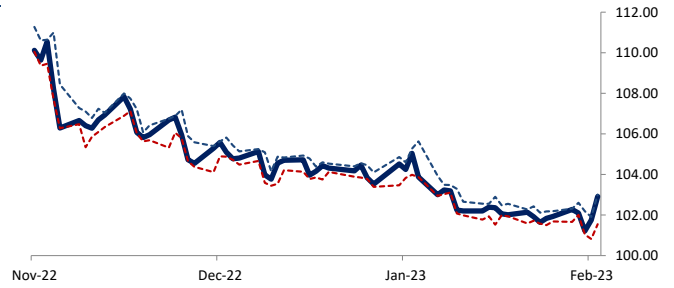
EUR/USD: The EUR currency fell sharply after strong economic numbers from the US, which pushed for more rate hikes than previously anticipated. The EUR fell from 1.0978 resistance to 1.0793 on Friday. The break beyond the 1.0930 assisted a bullish trend but failed miserably. Support levels should be at 1.0750 and 1.07.

GBP/USD: Cable recent interest rate hike gave optimism to break the 1.2450 resistance since December of 2022, but the strong data helped US dollar to push GBP to as low as 1.2051 from 1.2389. GBP is more in a range and hence we expect a correction to 1.2129 resistance as the selloff was steep.

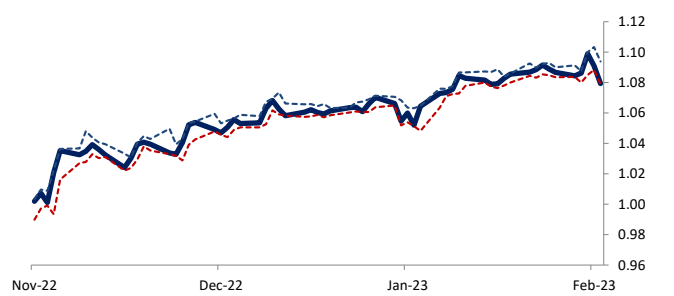
Economic Events

Date	Country	Event	Actual	Forecast	Previous
06-Feb-23	EUR	Retail Sales m/m		-2.4%	0.8%
07-Feb-23	AUD	RBA Rate Statement			
07-Feb-23	USD	Fed Chair Powell Speaks			
07-Feb-23	CAD	BOC Gov Macklem Speaks			
08-Feb-23	USD	FOMC Member Williams Speaks			
09-Feb-23	GBP	Monetary Policy Report Hearings			
09-Feb-23	USD	Unemployment Claims	191K	183K	
10-Feb-23	GBP	GDP m/m	-0.3%	0.1%	
10-Feb-23	CAD	Unemployment Rate	5.1%	5.0%	
10-Feb-23	USD	Prelim UoM Consumer Sentiment	65.0	64.9	

US Dollar Index
3-Month Performance



EUR/USD
3-Month Performance



Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0793	0.85	EUR/GBP	0.8950	1.20
GBP/USD	1.2051	(0.38)	GBP/JPY	158.20	(0.24)
USD/JPY	131.1700	0.05	EUR/JPY	141.59	0.92
USD/CHF	0.9258	0.15	EUR/CHF	0.9994	1.00

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.69	3.94	4.19	4.44	4.69
USD	4.56	4.57	4.69	4.81	4.79
EUR	2.11	2.26	2.55	3.01	3.37
GBP	3.93	3.93	4.03	4.17	4.18

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.76	4.28	3.65	3.52	3.61
Germany	2.72	2.55	2.21	2.21	2.23
United Kingdom	3.22	3.19	2.90	3.04	3.57
Japan	-0.09	-0.04	0.15	0.48	1.51

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	80.41	(1.14)	Dow Jones	33,926.01	(0.38)
Brent	79.94	(2.71)	Nikkei 225	27,509.46	0.39
West Texas	73.39	(3.28)	S&P 500	4,136.48	(1.04)
Gold	1,865.97	(0.06)	KuwaitSE	7,330.29	0.31

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