



Highlights in the Foreign Exchange Market:

- In Europe, German inflation hit another all-time high of 8.7% y/y in May, beating expectations of an 8.1% advance. The report comes just days before a crucial ECB meeting where officials are set to announce the conclusion of QE and confirm plans to raise interest rates in July for the first time in over a decade. ECB President Christine Lagarde and policy members have expressed concerns regarding stubbornly high price growth at a time when industries who are already suffering from lingering supply bottlenecks face uncertainty following Russia's invasion in Ukraine. The EUR/USD pair gained ground amid the dollars ease, rising 1.9% so far this month, last seen at 1.0750.
- Meanwhile, EU leaders agreed to embargo most Russian oil imports into the bloc by year-end. The ban covers Russian oil brought in by sea, allowing a temporary exemption for imports delivered by pipeline, which was crucial to bring landlocked Hungary on board. EU Council President Charles Michel said the agreement covers more than two-thirds of oil imports from Russia. Ursula Von der Leyen, the head of the EU's executive branch, added the move will "effectively cut around 90% of oil imports from Russia to the EU by the end of the year." The price for Brent crude gained 16.26% so far this month, last seen trading at around \$123.3.
- Asian stocks fluctuated while Treasuries sold off across the curve amid fears regarding how aggressive central banks will need to be to control inflation. German bunds and European bonds sold off after data revealed record high inflation in Europe's largest economy, sending yields up more than 10 basis points.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0600	1.0670	1.0757	1.0800	1.0840
GBP	1.2480	1.2550	1.2650	1.2700	1.2772
JPY	125.80	126.35	127.00	128.00	128.94
CHF	0.9400	0.9500	0.9565	0.9670	0.9751

Brief Technical Commentary

EUR / USD: EUR gained against the US dollar to reach 1.0764 on the daily chart surpassing the 1.0700 resistance level. Continuation of higher highs will surely meet the 1.0800 area and might reach 1.0855. Any lower trend will push the EUR to the 1.0650 area.

GBP / USD: Weaker US dollar helped push Cable to higher highs to 1.2670 before retracing to 1.2614. The weak US dollar is effecting the all-major currencies as more GBP gains are expected. 1.2700 and 1.2775 area the next resistance levels.

Economic Events

Date	Country	Event	Actual	Forecast	Previous
27-May-22	USD	Core PCE Price Index m/m	1.9%	2.0%	1.9%
01-Jun-22	AUD	GDP q/q		0.6%	0.3%
01-Jun-22	EUR	German Retail Sales			-0.1%
01-Jun-22	CAD	Overnight Rate & Rate Statement		1.50%	1.00%
01-Jun-22	USD	ISM Manufacturing PMI		54.9	55.4
02-Jun-22	USD	ADP Non-Farm Employment Change		295K	247K
02-Jun-22	USD	Crude Oil Inventories			-1.0M
03-Jun-22	USD	Average Hourly Earnings m/m		0.4%	0.3%
03-Jun-22	USD	Non-Farm Employment Change		325K	428K
03-Jun-22	USD	Unemployment Rate		3.5%	3.6%

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0777	(5.52)	EUR/GBP	0.8519	1.46
GBP/USD	1.2650	(6.84)	GBP/JPY	161.38	3.77
USD/JPY	127.5500	1.11	EUR/JPY	137.53	5.39
USD/CHF	0.9573	\$19	EUR/CHF	1.0320	(0.61)

Major Crosses

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	1.31	1.63	1.88	2.13	2.44
USD	0.78	1.05	1.40	1.75	2.25
EUR	-0.57	-0.55	-0.37	-0.08	0.36
GBP	0.94	1.08	1.29	1.58	1.99

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.93	2.55	2.82	2.84	3.03
Germany	-0.01	0.44	0.78	1.07	1.33
United Kingdom	1.41	1.46	1.60	1.98	2.25
Japan	-0.11	-0.08	-0.01	0.23	1.01

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	121.60	0.01	Dow Jones	33,212.96	1.76
Brent	124.10	2.00	Nikkei 225	27,319.93	2.01
West Texas	119.36	2.15	S&P 500	4,158.24	2.47
Gold	1,856.20	(0.03)	KuwaitSE	7,846.51	0.48

Global Indices

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