



#### Highlights in the Foreign Exchange Market:

- In the US, momentum in the labor market and manufacturing sector indicated demand is still robust. Non-farm employment in May topped estimates adding 390K, while unemployment held steady at 3.6% along with monthly average hourly gains, growing by 0.3%. The latest data suggested the labor market is robust enough for the Fed to continue raising rates in an aggressive pace, reviving investor jitters. US equities lost at least 1% of their gains and Treasury yields escalated. The 10-year yield stood at 2.93% and the 2-year yield stood at 2.65%.
- Strong labor data, hawkish central bank calls, and elevated Treasury yields kept the dollar outshining its peers. The euro found itself battered just above 1.0720. The sterling also succumbed to pressure and was last seen trading below 1.2500. The Japanese yen, anguishing from the widening monetary policy divergence between the Bank of Japan (BoJ) and Fed, pummeled back to its lows, close to 131. The Australian dollar lost its recent gains and traded just above 0.7205.
- The hunt for black gold continues with oil prices ending their sixth week of gains after a the modest OPEC+ production hike failed to appease tight markets. Both WTI and Brent closed the week edging \$120 a barrel.

#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0530	1.0625	<b>1.0718</b>	1.0840	1.0940
GBP	1.2290	1.2390	<b>1.2485</b>	1.2580	1.2670
JPY	128.95	129.80	<b>130.86</b>	131.90	132.85
CHF	0.9460	0.9540	<b>0.9624</b>	0.9730	0.9830

#### Major Currencies

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.0718	-5.72	EUR/GBP	0.8580	2.14	
GBP/USD	1.2485	-7.72	GBP/JPY	163.46	5.26	
USD/JPY	130.8600	3.73	EUR/JPY	140.21	7.59	
USD/CHF	0.9624	-5.50	EUR/CHF	1.0316	(0.51)	

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.0764 level during Friday's trading session and closed the week at 1.0718. EUR/USD Supports are at (1.0625-1.0530) any break below would take the pair down to 1.0470. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2589 level during Friday's trading session and closed the week at 1.2485. GBP/USD Supports are at (1.2390-1.2290) any break below would take the pair down to 1.2215. Short term outlook is Bearish.

#### Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	1.31	1.63	1.94	2.19	2.50
USD	0.79	1.14	1.47	1.87	2.43
EUR	-0.57	-0.54	-0.33	-0.01	0.49
GBP	0.94	1.09	1.29	1.59	2.05

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
3-Jun-22	USD	Average Hourly Earnings m/m	0.3%	0.4%	0.75%
3-Jun-22	USD	Non-Farm Employment Change	390K	325K	436K
3-Jun-22	USD	Unemployment Rate	3.6%	3.5%	3.6%
7-Jun-22	AUD	Cash Rate & RBA Statement		0.75%	0.35%
7-Jun-22	EUR	German Factory Orders m/m		0.4%	-4.7%
8-Jun-22	EUR	German Industrial Production m/m		1.3%	-3.9%
9-Jun-22	EUR	Main Refinancing Rate		0.00%	0.00%
9-Jun-22	EUR	Monetary Policy Statement			
10-Jun-22	USD	CPI m/m		0.7%	0.3%
10-Jun-22	USD	Core CPI m/m		0.5%	0.6%

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.13	2.65	2.94	2.94	3.09
Germany	0.08	0.63	1.00	1.26	1.50
United Kingdom	1.56	1.65	1.73	2.14	2.40
Japan	-0.12	-0.09	-0.02	0.22	1.01

#### Commodities

Index	Last Price	% Change	Global Indices	Index	Last Price	% Change
Kuwait Oil	117.63	1.58	Dow Jones	32,899.70	(1.65)	
Brent	119.72	1.79	Nikkei 225	27,761.57	1.27	
West Texas	118.87	1.71	S&P 500	4,108.54	(1.63)	
Gold	1,851.52	(0.93)	KuwaitSE	7,765.29	(0.56)	

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein. For further information or discussion, please contact the Treasury Services Desk on TSD\_LIST@NBK.COM or +965 2221 6603 (FAX +965 2229 1441).