

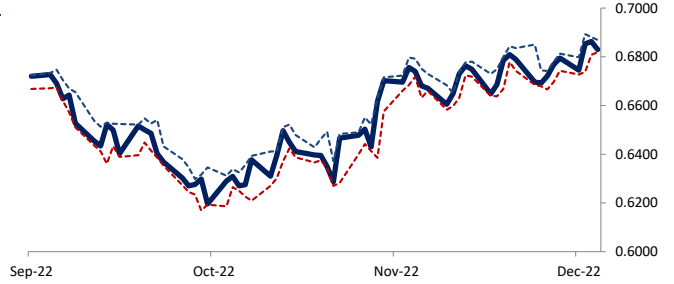
**Kuwaiti Dinar Today**

**0.30615 / 0.30625**

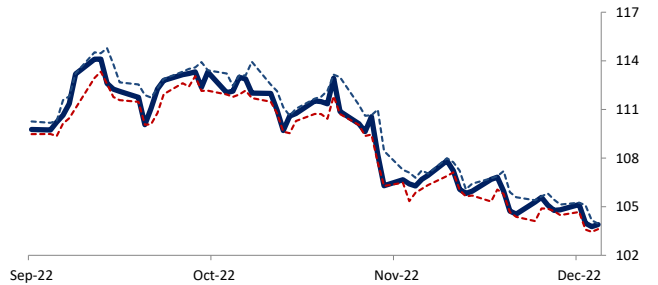
**Key Market Highlights:**

- The major news of the day arrives from the US as the Federal Reserve raised interest rates by 50 basis points, marking the seventh consecutive hike in interest rates this year. The increase is the smallest interest rate hike seen since June as the central bank faces the challenge of slowing down inflation while maintaining its resilient economy. Fed Chair Powell reiterated that monetary policy will need to be restricted "for some time." According to the FOMC's dot plot, the expected point where officials expect to end the rate hikes was put at 5.1%, a higher level than previously anticipated. Shares in Asia extended declines as higher interest rates sapped appetite for risk taking, while the bond market remained relatively muted. The dollar index is up 0.22% today following two days of declines.
- Shifting to the other side of the globe, the November numbers released in Australia showed better than expected employment growth. We have seen a 64,000 increase in employment, far above forecasts of a 19,400 gain. Meanwhile, the unemployment rate remained steady at 3.4% while the participation rate climbed to 66.8%. A stronger labor market provides the Reserve Bank of Australia more breathing space to keep increasing interest rates. The Aussie has gained 0.47% so far this week, and was last seen trading at a 3-month high of 0.6827.

**AUD/USD**  
3-Month Performance



**US Dollar Index**  
3-Month Performance



**Chart Points and Other Technical Input**

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0540	1.0600	<b>1.0650</b>	1.0695	1.0760
GBP	1.2260	1.2340	<b>1.2385</b>	1.2445	1.2490
JPY	134.55	135.10	<b>135.65</b>	136.10	136.75
CHF	0.9160	0.9210	<b>0.9260</b>	0.9300	0.9365

**Major Currencies**

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.0682	(6.28)	EUR/GBP	0.8594	2.33	
GBP/USD	1.2421	(8.40)	GBP/JPY	168.32	3.27	
USD/JPY	135.4700	7.91	EUR/JPY	144.68	10.92	
USD/CHF	0.9244	1.43	EUR/CHF	0.9874	(4.91)	

**Brief Technical Commentary**

EUR/USD: The pair made a new high after the FED rate hike of 50bps at (1.0694) suggesting a weaker dollar because of the tightening, currently trading at (1.0650). We expect the pair to continue higher towards our resistance at (1.0695-1.0760) after it retraces back to our support level at (1.0600).

GBP/USD: The cable retested the previous high at (1.2445) after the FED rate hike suggesting a weaker dollar because of the tightening, currently trading at (1.2385). We expect the pair to continue higher towards our resistance at (1.2445-1.2490) after it retraces back to our support level at (1.2340).

**Local & Global Rates**

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.38	3.56	4.00	4.25	4.56
USD	3.80	4.33	4.50	4.69	4.78
EUR	1.40	1.69	2.05	2.48	2.87
GBP	2.93	3.45	3.67	4.01	4.36

**Economic Events**

Date	Country	Event	Actual	Forecast	Previous
12-Dec-22	GBP	GDP m/m	0.5%	0.4%	-0.6%
12-Dec-22	CAD	BOC Gov Macklem Speaks			
13-Dec-22	GBP	BOE Gov Bailey Speaks			
13-Dec-22	USD	CPI m/m	0.1%	0.3%	0.4%
13-Dec-22	USD	CPI y/y	7.1%	7.3%	7.7%
14-Dec-22	GBP	CPI y/y	10.7%	10.9%	11.1%
14-Dec-22	USD	Federal Funds Rate	4.5%	4.5%	4.0%
15-Dec-22	CHF	SNB Policy Rate		1.00%	0.5%
15-Dec-22	GBP	Official Bank Rate		3.5%	3.0%
15-Dec-22	USD	Retail Sales m/m		-0.2%	1.3%

**Government Yields**

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.56	4.24	3.64	3.49	3.52
Germany	2.25	2.15	1.95	1.93	1.76
United Kingdom	3.09	3.42	3.28	3.32	3.71
Japan	-0.10	-0.02	0.12	0.25	1.42

**Commodities**

Index	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	82.03	0.45	Dow Jones	33,966.35	(0.42)
Brent	82.23	0.02	Nikkei 225	28,043.83	(0.40)
West Texas	76.72	0.26	S&P 500	3,995.32	(0.61)
Gold	1,795.26	(0.67)	KuwaitSE	7,368.59	(0.30)

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).