

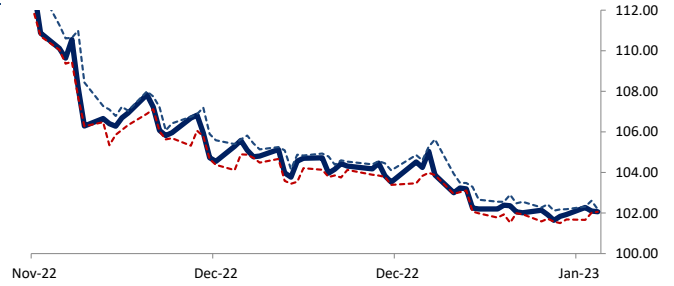
Kuwaiti Dinar Today

0.30520 / 0.30530

Key Market Highlights:

- In the United States, the employment cost index recorded the slowest pace of growth in a year, coming at 1% in Q4 2022. The slowdown in the employment cost follows broader slowdown in other economic and employment measures such as a slowdown in non-farm payrolls, slowing wage growth, and slowing price increases. Additionally, Chicago PMI came in at 44.3 compared to expectations of 45.1, reaffirming a slowdown in economic activity. Meanwhile, U.S consumer confidence dropped to 107.1, significantly below the 109.1 expectation and 109.0 previous reading. The U.S dollar index continues to hover around the 102.00 mark. On the other hand, U.S equities finished off January closing in green. The Nasdaq soared 10.7% making it the best January return since 2001, while the Dow Jones gained 2.8% and the S&P 500 added 6.2%. Markets will be looking to the upcoming FOMC meeting with optimism, bolstered by economic data that indicates slowdown in wage and price pressures, and where the Fed is expected to slow down hikes to 25 bps.
- Britain faces the severest two years of any major industrial nation, with a recession in 2023 and the slowest growth of peers in 2024, according to the International Monetary Fund. Moreover, the IMF expect the UK's economy to deflate by 0.6% this year — the only contraction in the G7 — as higher interest rates and taxes along with government spending limit intensify the cost-of-living crisis. The Fund sees global GDP expanding 2.9% this year, 0.2% more than forecast in October.
- The rise in energy costs prompted by the war in Ukraine has wedged the ECB between rising inflation and a weakening economy. However, the fear of rising inflation expectations has trumped recession worries as the hawks on the Governing Council are winning the debate. Euro-area GDP is forecasted to contract 0.1% quarter on quarter.
- As for forex, the US Dollar Index reached a high of 102.607 yesterday, but appears to have dropped as it currently trades around the 102.070 mark. Higher rates helped JPY to the weaker end of the leader board, with USD/JPY reaching a high of 130.53 yesterday, while currently trading at 130.23. The Euro on the other hand looks to have strengthened against the dollar, trading at 1.0867, very much near yesterday's high of 1.0874.

US Dollar Index
3-Month Performance



EUR/USD
3-Month Performance

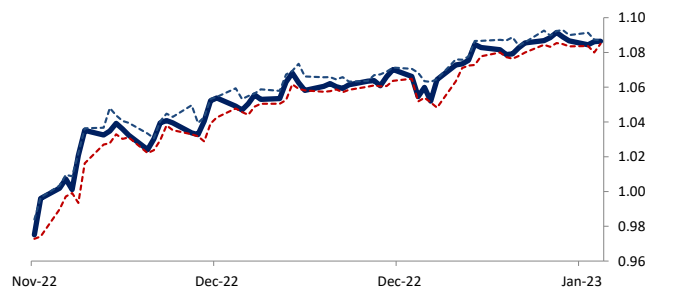


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0760	1.0810	1.0865	1.0910	1.0990
GBP	1.2210	1.2270	1.2319	1.2365	1.2430
JPY	129.20	129.70	130.25	130.75	131.40
CHF	0.9040	0.9110	0.9160	0.9200	0.9270

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0862	1.55	EUR/GBP	0.8814	(0.23)
GBP/USD	1.2320	1.77	GBP/JPY	160.27	1.15
USD/JPY	130.0900	(0.64)	EUR/JPY	141.31	0.92
USD/CHF	0.9161	(0.91)	EUR/CHF	0.9951	0.63

Brief Technical Commentary

EUR/USD: The pair is ranging while the market is waiting for the FOMC. The pair is currently trading at (1.0865) and ranging between (1.0810-1.0910). A breakout below or above will dictate the direction.

GBP/USD: The cable dropped against the USD during yesterday's trading session and currently trading at (1.2319). We have our resistance set at (1.2365) and our support level is set at (1.2270).

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.63	3.88	4.19	4.44	4.69
USD	4.30	4.57	4.69	4.84	4.87
EUR	1.89	2.14	2.48	2.96	3.37
GBP	3.43	3.85	4.01	4.21	4.33

Economic Events

Date	Country	Event	Actual	Forecast	Previous
31-Jan-23	JPY	Unemployment Rate	2.5%	2.5%	2.5%
01-Feb-23	EUR	CPI Flash Estimate y/y		9.0%	9.2%
01-Feb-23	USD	ADP Non-Farm Employment Change		168K	235K
01-Feb-23	USD	FOMC Statement			
01-Feb-23	USD	Federal Funds Rate		4.75%	4.5%
02-Feb-23	EUR	ECB Press Conference			
02-Feb-23	GBP	BOE Monetary Policy Report			
02-Feb-23	GBP	Official Bank Rate		4.0%	3.5%
02-Feb-23	CHF	SNB Chairman Jordan Speaks			
03-Feb-23	USD	Unemployment Rate		3.6%	3.5%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.64	4.21	3.62	3.51	3.63
Germany	2.74	2.64	2.30	2.28	2.21
United Kingdom	3.30	3.41	3.20	3.32	3.70
Japan	-0.06	-0.02	0.18	0.48	1.56

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	83.42	1.26	Dow Jones	34,086.04	1.09
Brent	85.53	0.09	Nikkei 225	27,354.28	0.10
West Texas	79.07	0.25	S&P 500	4,076.60	1.46
Gold	1,926.35	(0.06)	KuwaitSE	7,277.29	(0.06)

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