

Highlights in the Foreign Exchange Market:

- The US Federal Reserve deployed the most aggressive tightening of monetary policy in decades after delivering a 50bp rate hike and announced it would start shrinking its massive balance sheet next month at an initial monthly pace of \$47.5 billion to pick up to \$95 billion over three months. The Fed signaled it would keep hiking at that pace over the next couple of meetings, easing market fears of a super-sized 75bp rate hike. Stocks were relieved and rallied the most since May 2020 and bond yields eased. The 10-year yield settled at 2.93% after hitting 3% earlier this week.
- The dollar recoiled after the Fed doused markets' more hawkish bets, falling sharply against its major peers. The euro gathered itself above 1.0600, but is expected to face headwinds as the European Union (EU) looks to embargo oil from Russia within six months. The sterling hit a high of 1.2635 before setting close to 1.2590 as attention shifts to the Bank of England's (BoE) monetary policy announcement later today. The yen was able to fight back and salvage itself below 130. The Australian dollar gathered steam from a moderated Fed and its own recent rate hike, shooting above 0.7200.
- The commodity complex continues to tread a complicated economic outlook in the midst of an ongoing Russo-Ukrainian war and extended Covid lockdowns in China. Oil prices traded above \$105 a barrel on the proposed oil ban from the EU. Gold dusted its recent losses amid a sharp retreat in the dollar and Treasury yields, trading above \$1,900 an ounce.

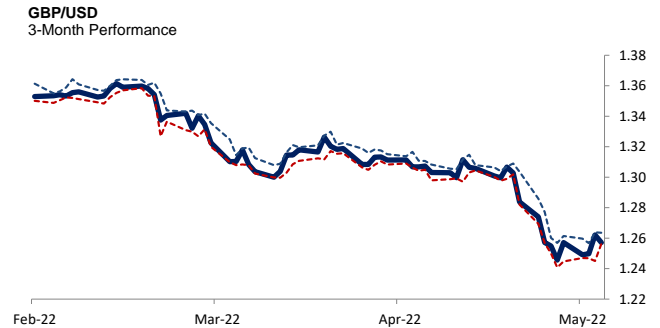
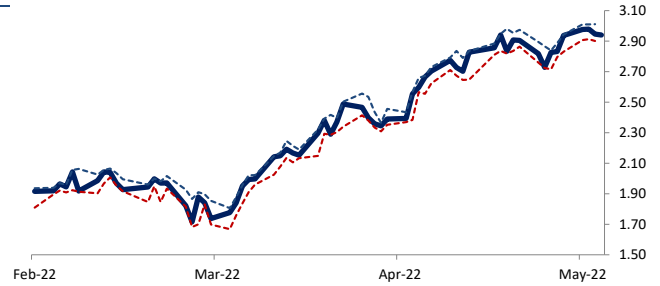


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0400	1.0560	1.0615	1.0700	1.0775
GBP	1.2360	1.2450	1.2550	1.2630	1.2690
JPY	127.00	128.60	129.26	130.40	131.30
CHF	0.9600	0.9670	0.9730	0.9852	0.9900

Major Currencies

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.0621	-6.69	EUR/GBP	0.8403	0.63	
GBP/USD	1.2621	-7.30	GBP/JPY	163.01	4.49	
USD/JPY	129.0700	12.42	EUR/JPY	137.09	5.29	
USD/CHF	0.9720	-6.69	EUR/CHF	1.0323	(0.44)	

Brief Technical Commentary

EUR / USD: EUR jumped from its support of 1.0500ish to 1.0641 on the daily chart after the Fed meeting, breaking the 1.0600 resistance. Such a bounce was due as well to the oversold EUR, as correction might continue to 1.0700 resistance. Bearish trend is still intact and might resume to 1.0500 and 1.0400.

GBP / USD: GBP was on lower low in recent days to 1.2408 not far from the July 2020 low, but like most major CCY's oversold, the Cable jumped after the Fed's news to test resistance at 1.2640. Volatility is high hence, we would expect to reach 1.2700 then resume the bearish trend to 1.2400.

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	1.06	1.44	1.69	1.94	2.19
USD	0.30	0.81	1.18	1.63	2.28
EUR	-0.57	-0.54	-0.43	-0.20	0.23
GBP	0.69	0.98	1.17	1.51	1.96

Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-May-22	USD	ISM Manufacturing PMI	55.4	57.5	57.1
3-May-22	AUD	Cash Rate	0.35%	0.25%	0.10%
4-May-22	USD	ADP Non-Farm Employment Change	247K	382K	479K
4-May-22	USD	Federal Funds Rate	<1.00%	<1.00%	<0.50%
4-May-22	USD	FOMC Press Conference			
5-May-22	ALL	OPEC-JMMC Meetings			
5-May-22	GBP	Official Bank Rate		1.00%	0.75%
6-May-22	USD	Average Hourly Earnings m/m		0.4%	0.4%
6-May-22	USD	Non-Farm Employment Change	390K	431K	
6-May-22	USD	Unemployment Rate		3.5%	3.6%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.99	2.65	2.92	2.94	3.04
Germany	-0.26	0.24	0.70	0.96	1.08
United Kingdom	1.52	1.62	1.73	1.97	2.08
Japan	-0.11	-0.07	0.00	0.22	0.98

Commodities

Index	Last Price	% Change	Global Indices	Index	Last Price	% Change
Kuwait Oil	116.03	1.84	Dow Jones	34,061.06	2.81	
Brent	110.68	0.49	Nikkei 225	26,818.53	(0.11)	
West Texas	108.20	0.32	S&P 500	4,300.17	2.99	
Gold	1,900.43	1.01	KuwaitSE	8,358.46	0.48	

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