

Treasury Daily Newsletter

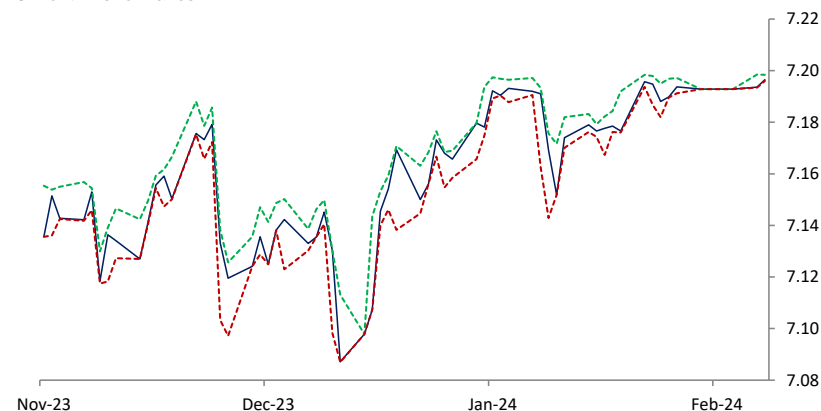
20-Feb-24

Kuwaiti Dinar Today 0.30775 / 0.30785

Key Market Highlights:

- China announced that it will be implementing its biggest ever reduction in the benchmark mortgage rate on Tuesday, in an aim to support the struggling property market and boost the economy. The rate cut cycle was done by reducing the 5-year loan prime rate (LPR) by 25 basis points reaching a rate of 3.95%, down from 4.20% previously, meanwhile the 1-year LPR was left unchanged at 3.45%. Despite a larger than expected cut in interest rates, Asian shares did not have a significant impact from the cut, as the news failed to excite investors who were seeking bigger stimulus measures. Meanwhile, the Chinese yuan was seen trading steady at around 7.1972 against the US dollar.
- Oil prices neared a three-week high following increased tensions in the Middle East, with Brent futures trading at \$83.45 a barrel. Shipping lanes in the Red Sea continue to be a source of worry for global players, as British registered Rubymar cargo vessel was in danger of sinking, forcing the crew to abandon ship. Despite this, oil prices remain relatively muted throughout the year, with global weakness in demand, particularly in China, offsetting concerns about an expansion of conflict in the region. The International Energy Agency issued a downward revision for 2024's oil demand growth, citing tight credit conditions, weak demand, and expectations of renewable energy playing a bigger role to replace fossil fuel usage.

USDCNY 3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0660	1.0725	1.0769	1.0835	1.0900
GBP	1.2500	1.2570	1.2586	1.2675	1.2730
JPY	148.80	149.60	150.33	150.80	151.40
CHF	0.8690	0.8760	0.8826	0.8860	0.8920

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0777	2.46	EUR/GBP	0.8555	1.29
GBP/USD	1.2593	1.19	GBP/JPY	189.04	5.39
USD/JPY	150.1100	6.63	EUR/JPY	161.82	4.06
USD/CHF	0.8821	4.92	EUR/CHF	0.9509	2.38

Brief Technical Commentary

Nothing is happening due to US holiday. EUR/USD remains in a range. Support at (1.0725) and Resistance (1.0835).

Nothing is happening due to US holiday. GBP/USD remains in a range. Support at (1.2570) and Resistance (1.2675).

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	86.88	0.33	Dow Jones	38,627.99	0.37
Brent	74.53	0.36	Nikkei 225	38,330.79	0.36
West Texas	69.64	0.24	S&P 500	5,005.57	0.48
Gold	2,019.00	0.07	KuwaitSE	7,353.37	0.65

Economic Events	Country	Event	Actual	Forecast	Previous
20-Feb-24	AUD	Monetary Policy Meeting Minutes			
20-Feb-24	CAD	CPI m/m		0.4%	-0.3%
21-Feb-24	AUD	Wage Price Index q/q		0.9%	1.3%
21-Feb-24	USD	FOMC Meeting Minutes			
22-Feb-24	EUR	French Flash Manufacturing PMI		43.5	43.1
22-Feb-24	EUR	French Flash Services PMI		45.7	45.4
22-Feb-24	GBP	Flash Manufacturing PMI		47.5	47.0
22-Feb-24	GBP	Flash Services PMI		54.5	54.3
22-Feb-24	USD	Flash Manufacturing PMI		50.1	50.7
22-Feb-24	USD	Flash Services PMI		52.0	52.5

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.81	4.06	4.31	4.56	4.75
USD	5.31	5.32	5.31	5.23	4.98
EUR	3.88	3.88	3.93	3.90	3.65
GBP	5.19	5.20	5.21	5.18	5.02

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.96	4.64	4.28	4.30	4.46
Germany	3.35	2.80	2.39	2.41	2.56
United Kingdom	4.78	4.59	4.13	4.10	4.64
Japan	0.00	0.14	0.35	0.72	1.74

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