

Treasury Daily Newsletter

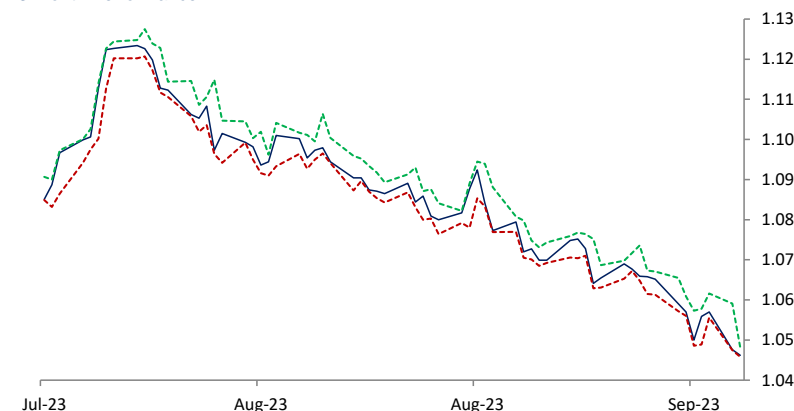
3-Oct-23

Kuwaiti Dinar Today 0.30915 / 0.30925

Key Market Highlights:

- US manufacturing activity showed signs of recovery despite remaining in contraction territory, with the ISM reading coming in at 49 from 47.6 previously. This is considerably higher than the forecasted figure of 47.7. The new orders and employment components of the index edged higher at 49.2 and 51.2 respectively. Meanwhile, the prices paid component showed a significant decline to 43.8 from 48.4 previously. The United Auto Workers strike has not yet shown significant detriment to the index but is likely to affect future readings if it continues. Meanwhile, the greenback strengthened following the better than expected manufacturing data, with the US dollar index last trading at 107.17.
- EUR/USD remained in a downturn throughout the month of September and continues to fall after the release of the Euro zone manufacturing activity data. The data released included the purchasing managers' index which dipped to 43.4 in September, from a previous 43.5 in August, indicating that the Eurozone manufacturing activity remained in contraction for the fifteenth straight month. The contraction in the PMI was led by the bloc's two largest economies, Germany and France. Consumers and business activities are feeling the brunt of high interest rates as inflation continues to remain above the ECB target. The EUR/USD pair is currently trading around 1.0464 and continues to stumble.

EUR/USD
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0288	1.0391	1.0460	1.0564	1.0633
GBP	1.1830	1.1906	1.2066	1.2118	1.2228
JPY	148.23	149.00	149.85	150.30	151.94
CHF	0.9043	0.9103	0.9190	0.9216	0.9300

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0476	2.21	EUR/GBP	0.8667	1.94
GBP/USD	1.2086	0.28	GBP/JPY	181.10	14.01
USD/JPY	149.8500	14.30	EUR/JPY	157.00	11.79
USD/CHF	0.9181	0.55	EUR/CHF	0.9619	2.77

Brief Technical Commentary

EUR/USD: EUR weakness continued and broke the 1.05, currently at 1.0464. Slowly but surely, the 1.00 against the US dollar will be the ultimate goal but we can expect volatility... next support should be at 1.04.

GBP / USD: Cable lowered to new lows, 1.20 will be hard to break such psychological support. The US dollar seems to continue strength and no sign of correction yet, nevertheless we might see a retracement to 1.21 resistance.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	94.22	3.26	Dow Jones	33,433.35	0.22
Brent	92.04	0.02	Nikkei 225	31,192.49	1.79
West Texas	88.86	0.11	S&P 500	4,288.39	0.01
Gold	1,821.80	0.31	KuwaitSE	6,854.58	0.22

Economic Events	Country	Event	Actual	Forecast	Previous
2-Oct-23	USD	ISM Manufacturing PMI	49.0	47.8	47.6
3-Oct-23	AUD	Cash Rate	4.10%	4.10%	4.10%
3-Oct-23	CHF	CPI m/m	0.0%	0.0%	0.2%
3-Oct-23	USD	JOLTS Job Openings		8.85M	8.83M
4-Oct-23	NZD	Official Cash Rate		5.50%	5.50%
4-Oct-23	USD	ADP Non-Farm Employment Change		155,000	177,000
4-Oct-23	USD	ISM Services PMI		53.5	54.5
4-Oct-23	ALL	OPEC Meeting			
5-Oct-23	USD	Unemployment Claims			204,000
6-Oct-23	USD	Non-Farm Employment Change		168,000	187,000
6-Oct-23	USD	Average Hourly Earnings m/m		0.3%	0.2%

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.69	4.00	4.25	4.50	4.69
USD	5.31	5.32	5.39	5.45	5.43
EUR	3.87	3.85	3.95	4.13	4.23
GBP	5.19	5.20	5.30	5.39	5.45

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	5.43	5.11	4.72	4.69	4.80
Germany	3.68	3.21	2.82	2.91	3.12
United Kingdom	5.05	4.95	4.59	4.55	5.00
Japan	-0.06	0.05	0.31	0.75	1.76

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