



#### Highlights in the Foreign Exchange Market:

- The Bank of Japan (BOJ) pushed back more aggressively than expected against market chatter after announcing its promise to defend a rock-bottom 0.25% yield target on 10-year government bonds by buying unlimited amounts of bonds every day. The central bank has said it will not change policy until inflation is stable above its 2% target despite consumer prices rising due to higher import costs. Looking ahead, the BOJ also stuck with its view that rates would stay low or go even lower. The gap between 10-year Japanese and U.S. bond yields has widened to the most in three years as the Federal Reserve embarks on a series of hikes in a bid to contain rising inflation.
- The greenback momentum strengthened further against its peers. The single currency collapsed to 1.0484 before steadying slightly above 1.0500 as Germany prepares to back a gradual ban on Russian oil and EU countries scramble to respond to an escalating energy crisis. The cable faltered to 1.2492 before climbing above 1.2510. The yen drowned to 130 after the BOJ decision under the weight of a contrastingly dovish policy.
- Oil prices floated above \$100 a barrel as the Chinese demand outlook dwindles under tightening Covid policies. The US Energy Information Administration said crude stocks rose by just 692K barrels last week, short of expectations. Gold retreated below \$1,880.

#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0400	1.0446	<b>1.0515</b>	1.0575	1.0654
GBP	1.2425	1.2480	<b>1.2530</b>	1.2600	1.2690
JPY	128.00	129.54	<b>130.00</b>	130.61	132.00
CHF	0.9613	0.9675	<b>0.9703</b>	0.9740	0.9800

#### Brief Technical Commentary

EUR / USD: EUR continued the bearish trend to 1.05 area with eyes to 1.04 support level. The lower lows projected to remain a downside as long as US dollar bull / EU geo-political continues. Any reversal might retreat to 1.0575 and might test the 1.06.

GBP / USD: GBP plunge should remain on focus as it broke decisive support levels of 1.25 and 1.26, currently at 1.2534 on the daily chart. Such oversold GBP might pull back to 1.26 area to find a new direction after the long stretch. Bearish trend anticipated to 1.24 level support.

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0555	(7.39)	EUR/GBP	0.8417	(0.18)
GBP/USD	1.2548	(7.21)	GBP/JPY	161.04	5.31
USD/JPY	128.4200	3.22	EUR/JPY	135.59	5.27
USD/CHF	0.9689	6.27	EUR/CHF	1.0229	(1.56)

#### Major Crosses

#### 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	0.27	0.70	1.03	1.51	2.10
EUR	-0.58	-0.51	-0.43	-0.25	0.11
GBP	0.69	0.90	1.09	1.38	1.80

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
25-Apr-22	EUR	German ifo Business Climate	91.8	88.3	90.8
26-Apr-22	JPY	Unemployment Rate	2.6%	2.7%	2.7%
27-Apr-22	AUD	CPI q/q	2.1%	1.7%	1.3%
27-Apr-22	USD	Crude Oil Inventories	0.7M	0.1M	-8.0M
28-Apr-22	JPY	BOJ Outlook Report			
28-Apr-22	JPY	BOJ Policy Rate	-0.10%	-0.10%	-0.10%
28-Apr-22	USD	Advance GDP q/q		1.0%	6.9%
28-Apr-22	USD	Unemployment Claims		178K	184K
29-Apr-22	USD	Core PCE Price Index m/m		0.3%	0.4%
30-Apr-22	CNY	Caixin Manufacturing PMI		47.0	48.1

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.91	2.55	2.78	2.79	2.89
Germany	-0.36	0.07	0.50	0.77	0.94
United Kingdom	1.37	1.47	1.57	1.79	1.92
Japan	-0.10	-0.06	0.00	0.21	0.96

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	107.68	(0.30)	Dow Jones	33,301.93	0.19
Brent	104.92	(0.38)	Nikkei 225	26,859.11	1.79
West Texas	101.85	(0.42)	S&P 500	4,183.96	0.21
Gold	1,886.80	(0.07)	KuwaitSE	8,316.99	(0.02)

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).