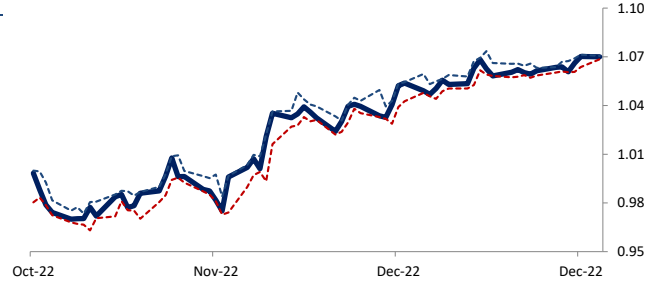


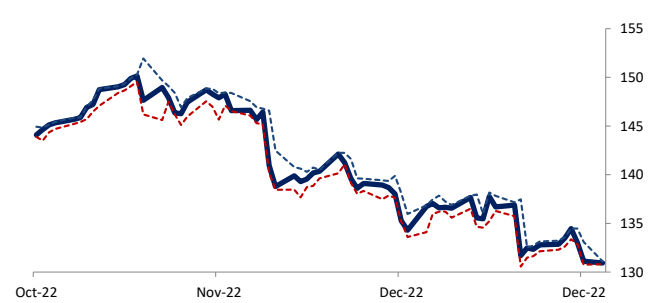
**Key Market Highlights:**

- The Japanese Yen opened the week on a strong note against the dollar amid rumors that the Bank of Japan (BOJ) might turn more hawkish on the back of higher inflation forecasts. Anonymous sources quoted by a Japanese news agency stated that the BOJ is considering raising its inflation forecasts in January showing price growth close to its 2% target in fiscal 2023 and 2024. The pair is trading at the 131.00 at the time of writing, considered a strong support which was tested after the latest BOJ policy meeting.
- Over in America, the Department of Labor released data regarding unemployment claims. As forecasted, claims increased to 225K; a 9K increased from the previous week's reading. Meanwhile continuing claims rose to 1.7 million, a high not witnessed since early February. The Euro edged up to 1.0700 amid the news. The single currency ended the year with a -5.69% performance against the greenback.
- China's manufacturing activity dropped for the third month in a row in December making it the sharpest drop in 3 years. Covid outbreaks have made their way to production lines across China as the government eased their strict covid curbs. The manufacturing PMI reading came at 47 from 48 in the previous month and the sector remains in contractionary mode.

**EUR/USD**  
3-Month Performance



**USD/JPY**  
3-Month Performance



**Chart Points and Other Technical Input**

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0525	1.0605	<b>1.0698</b>	1.0785	1.0860
GBP	1.1890	1.1990	<b>1.2073</b>	1.2180	1.2290
JPY	128.90	129.80	<b>130.92</b>	131.70	132.60
CHF	0.9060	0.9140	<b>0.9242</b>	0.9330	0.9430

**Major Currencies**

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0702	(0.09)	EUR/GBP	0.8844	0.18
GBP/USD	1.2097	(0.21)	GBP/JPY	158.58	(0.35)
USD/JPY	131.1100	(0.12)	EUR/JPY	140.30	<b>7.66</b>
USD/CHF	0.9244	(0.03)	EUR/CHF	0.9895	(0.15)

**Brief Technical Commentary**

EUR/USD: The pair moved up to the 1.0713 level during Friday's trading session and closed the week at 1.0702. EUR/USD Supports are at (1.0525-1.0605) any break below would take the pair down to 1.0440. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2107 level during Friday's trading session and closed the week at 1.2097. GBP/USD Supports are at (1.1890-1.1990) any break below would take the pair down to 1.1810. Short term outlook is Bullish.

**Local & Global Rates**

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.38	3.63	4.00	4.25	4.56
USD	4.30	4.36	4.59	4.78	4.87
EUR	1.87	1.88	2.13	2.69	3.29
GBP	3.43	3.43	3.75	4.09	4.46

**Economic Events**

Date	Country	Event	Actual	Forecast	Previous
02-Jan-23	EUR	German Manufacturing PMI		47.4	47.4
02-Jan-23	CNY	Caixin Manufacturing PMI		48.8	49.4
03-Jan-23	GBP	Manufacturing PMI		44.7	44.7
04-Jan-23	EUR	Services PMI		49.1	49.1
04-Jan-23	USD	FOMC Meeting Minutes			
05-Jan-23	GBP	Services PMI		50	50
05-Jan-23	EUR	PPI (MoM)		-0.9%	-2.9%
05-Jan-23	USD	ADP Nonfarm Employment Change		145K	127K
05-Jan-23	USD	Services PMI			44.4
06-Jan-23	USD	Nonfarm Payrolls		200K	263K

**Government Yields**

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.70	4.42	4.00	3.88	3.97
Germany	2.53	2.71	2.56	2.56	2.44
United Kingdom	2.45	3.38	3.60	3.66	3.95
Japan	-0.01	0.02	0.22	0.40	1.59

**Commodities**

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	84.05	<b>1.13</b>	Dow Jones	33,147.25	(0.22)
Brent	85.91	0.02	Nikkei 225	26,094.50	0.00
West Texas	80.26	0.12	S&P 500	3,839.50	(0.25)
Gold	1,824.20	(0.04)	KuwaitSE	7,272.56	(0.27)

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).