



Highlights in the Foreign Exchange Market:

- Bank of England Governor Andrew Bailey warned of a “very real income shock” stemming from energy & “apocalyptic” food prices. Bailey told MPs at the Treasury Select Committee that UK consumer demand and unemployment will remain heavily pressured under 30-year high inflation. Nevertheless, Bailey stood by the Bank’s policy decisions, adding that “we are walking a very narrow path” between surging inflation and risks to growth.
- In the US, New York state manufacturing activity unexpectedly contracted in May for the second time in three months, illustrating a plunge in orders and shipments. The Federal Reserve Bank of New York’s general business conditions index dropped over 36 points to -11.6 (figures less than zero indicate a contraction). The group’s gauge of new orders dropped nearly 34 points to -8.8 while the measure for shipments fell at the fastest pace since the early pandemic after sinking about 50 points.
- This past week, the world’s two largest economies triggered economic growth fears in markets following weak retail sales and factory production figures in China and disappointing US manufacturing data. Investors are also weighing the global inflationary impact of lockdowns in China to combat the coronavirus and the ongoing war in Ukraine. US Treasury yields climbed while the dollar held its ground. Asian shares edged higher this morning despite worrying data out of China. In commodities, oil prices remain elevated with the price for Brent crude last seen at \$113.8.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0300	1.0352	1.0440	1.0530	1.0585
GBP	1.2220	1.2300	1.2340	1.2400	1.2450
JPY	127.50	128.30	129.40	130.00	130.80
CHF	0.9825	0.9930	1.0015	1.0075	1.0120

Brief Technical Commentary

EUR / USD: EUR corrected to currently at 1.0440 on the daily chart from the low of 1.0340. The bearish trend is clear but on the hourly chart, higher highs are trying to break 1.05 and 1.0530 resistance levels. Forecast is still stronger US dollar.

GBP / USD: The weakening of the US dollar helped GBP rise to 1.2340 close to the Simple moving average on the daily chart. The steep fall seems over, and Cable now is resuming to 1.24 area. Nevertheless, the bearish trend is still on and might see the 1.22 support level...

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0431	(8.15)	EUR/GBP	0.8468	0.74
GBP/USD	1.2317	(6.83)	GBP/JPY	159.08	2.74
USD/JPY	129.1600	12.43	EUR/JPY	134.71	3.64
USD/CHF	1.0018	9.80	EUR/CHF	1.0451	0.84

Major Crosses

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	1.31	1.63	1.88	2.13	2.38
USD	0.79	0.86	1.27	1.69	2.25
EUR	-0.56	-0.55	-0.40	-0.21	0.18
GBP	0.94	0.94	1.16	1.42	1.77

Economic Events

Date	Country	Event	Actual	Forecast	Previous
11-Jun-22	USD	CPI m/m	0.3%	0.2%	1.2%
11-Jun-22	USD	Core CPI m/m	0.6%	0.4%	0.3%
12-Jun-22	USD	PPI m/m	0.5%	0.5%	1.4%
16-May-22	GBP	Monetary Policy Report Hearings			
17-May-22	USD	Core Retail Sales m/m		0.3%	1.1%
17-May-22	USD	Retail Sales m/m		1.1%	0.5%
18-May-22	GBP	CPI y/y		9.1%	7%
18-May-22	CAD	CPI m/m			1.4%
19-May-22	AUD	Employment Change		30K	17.9K
19-May-22	AUD	Unemployment Rate		3.9%	4.0%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.95	2.61	2.86	2.92	3.13
Germany	-0.24	0.12	0.65	0.94	1.09
United Kingdom	1.14	1.20	1.35	1.72	1.98
Japan	-0.09	-0.06	0.01	0.24	1.01

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	119.59	3.20	Dow Jones	32,223.42	0.08
Brent	113.86	(0.33)	Nikkei 225	26,671.50	(0.47)
West Texas	113.76	(0.40)	S&P 500	4,008.01	(0.39)
Gold	1,826.50	0.12	KuwaitSE	7,700.78	(2.14)

Global Indices

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