

Treasury Daily Newsletter

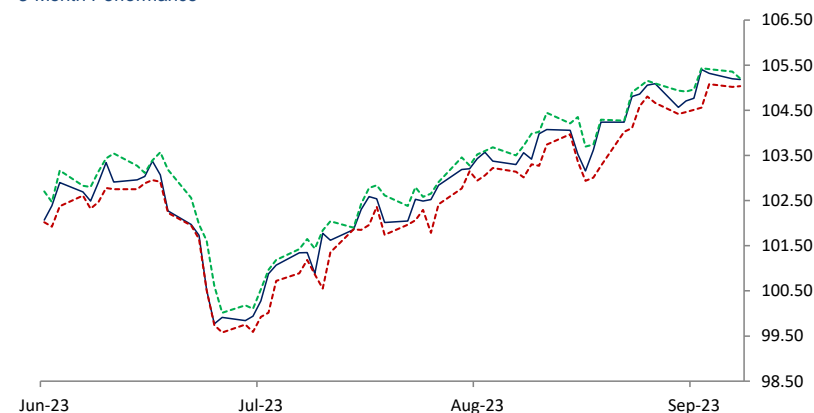
19-Sep-23

Kuwaiti Dinar Today

0.30865 / 0.30875

Key Market Highlights:

- The greenback is hovering near a 6-month high as traders lie in wait for interest rate decisions this week from the US Federal Reserve, the Bank of England, and the Bank of Japan. As of today, fed fund futures show investors expect the Fed to keep interest rates on hold in the 5.25-5.5% range on Wednesday. The BOJ is also widely expected to maintain its policy rate, however markets will watch closely for hints on policy outlook after Governor Kazuo Ueda fueled speculation of a move away from ultra-loose policy. On the other hand, the Bank of England is expected to deliver a 25 bps hike, in what may be the central banks final hike.
- In commodities, global benchmark Brent crude rose towards \$95 a barrel as investors digest the prospect of a widening supply deficit after OPEC+ extended supply cuts. Saudi Arabia and Russia extended a combined 1.3 million barrels per day of supply cuts to the end of the year. Brent and WTI have gained ground for three consecutive weeks, and are on track for their biggest quarterly increases since Russia's invasion of Ukraine in Q1 of 2022. Despite the supply cuts, demand concerns remain with China as the key risk due to its sluggish economic recovery.

U.S Dollar Index
3-Month Performance


Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0550	1.0653	1.0682	1.0760	1.0824
GBP	1.2273	1.2310	1.2378	1.2450	1.2529
JPY	145.82	146.70	147.70	148.40	149.00
CHF	0.8857	0.8940	0.8973	0.9034	0.9085

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0690	0.21	EUR/GBP	0.8634	2.48
GBP/USD	1.2382	2.31	GBP/JPY	182.79	15.41
USD/JPY	147.6000	12.76	EUR/JPY	157.81	12.55
USD/CHF	0.8969	2.86	EUR/CHF	0.9589	3.09

Brief Technical Commentary

EUR/USD:EUR recouped some ground to 1.0678, yet the bearish trend is still expected. Any retracement would test the 1.07 and 1.0760 resistance with support area close to the previous low of 1.0631.

GBP / USD: Cable trading close to where we left yesterday and seems fatigue as it tried to correct to close to 1.2450. Expectation of lower lows soon, as the Central bank news will cause volatility to 1.23 support levels.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	99.41	0.16	Dow Jones	34,624.30	0.02
Brent	97.09	0.02	Nikkei 225	33,214.91	0.88
West Texas	91.52	0.11	S&P 500	4,453.53	0.07
Gold	1,930.90	0.12	KuwaitSE	7,004.63	0.22

Economic Events	Country	Event	Actual	Forecast	Previous
20-Sep-23	CNY	1-Y Loan Prime Rate		3.45%	3.45%
20-Sep-23	GBP	CPI y/y		7.1%	6.8%
20-Sep-23	USD	Federal Funds Rate		5.50%	5.50%
21-Sep-23	CHF	SNB Policy Rate		2.00%	1.75%
21-Sep-23	GBP	Official Bank Rate		5.50%	5.25%
21-Sep-23	USD	Unemployment Claims		222,000	220,000
22-Sep-23	JPY	Policy Rate		-10.0%	-10.0%
22-Sep-23	EUR	Flash Services PMI		47.7	47.9
22-Sep-23	GBP	Flash Services PMI		49.0	49.5
22-Sep-23	USD	Flash Services PMI		50.8	50.5

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.75	4.00	4.25	4.50	4.75
USD	5.31	5.32	5.40	5.47	5.44
EUR	3.69	3.76	3.88	4.06	4.17
GBP	5.19	5.38	5.47	5.57	5.65

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	5.38	5.05	4.46	4.31	4.39
Germany	3.71	3.24	2.73	2.70	2.83
United Kingdom	5.15	5.04	4.58	4.39	4.74
Japan	-0.07	0.03	0.28	0.71	1.69

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