

Treasury Daily Newsletter

7-Oct-24

Kuwaiti Dinar Today 0.30565 / 0.30575

Key Market Highlights:

- U.S. job growth in September saw its largest increase in six months, with 254,000 new jobs added, and the unemployment rate dropped to 4.1%. This points to a strong economy that likely won't require major interest rate cuts from the Federal Reserve this year. In addition to the job gains, wages rose steadily, and the economy added 72,000 more jobs in July and August than initially reported. Recent data revisions have also shown the economy is performing better than expected, with upgrades in growth, income, savings, and corporate profits. Fed Chair Jerome Powell acknowledged this positive outlook and signaled no rush to cut interest rates significantly. The unemployment rate's drop from 4.2% in August was due to a rise in household employment, which more than offset the number of new workers entering the labor force. Although the jobless rate has risen since April, it has been influenced by factors like temporary layoffs in the auto industry. Average hourly wages rose by 0.4% in September, following a 0.5% increase in August, and were up 4.0% compared to the previous year.
- The number of Americans filing for unemployment benefits increased slightly last week, though disruptions from Hurricane Helene in the Southeast and strikes at Boeing and ports may impact the labor market soon. According to the Labor Department's report, the job market remained stable at the end of the third quarter, which could give the Federal Reserve little reason to rush into significant interest rate cuts. Another report showed that the services sector reached its highest level in over 18 months, driven by strong new orders. Economist Christopher Rupkey noted that the labor market appears steady, making it unlikely the Fed will cut rates aggressively unless conditions worsen. Initial claims for unemployment benefits rose by 6,000 to 225,000 for the week ending September 28, slightly above expectations. Unadjusted claims dropped by just over 1,000 but were below the anticipated decline, causing seasonally adjusted claims to rise. Despite this, claims remain low, indicating a stable labor market with few layoffs. However, this calm may be disrupted by Hurricane Helene, which caused widespread destruction in six southeastern states, leading to a long and costly recovery process.

Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0880	1.0930	1.0970	1.1035	1.1085
GBP	1.3000	1.3070	1.3125	1.3180	1.3240
JPY	146.00	147.25	148.45	149.25	150.00
CHF	0.8500	0.8540	0.8575	0.8605	0.8655

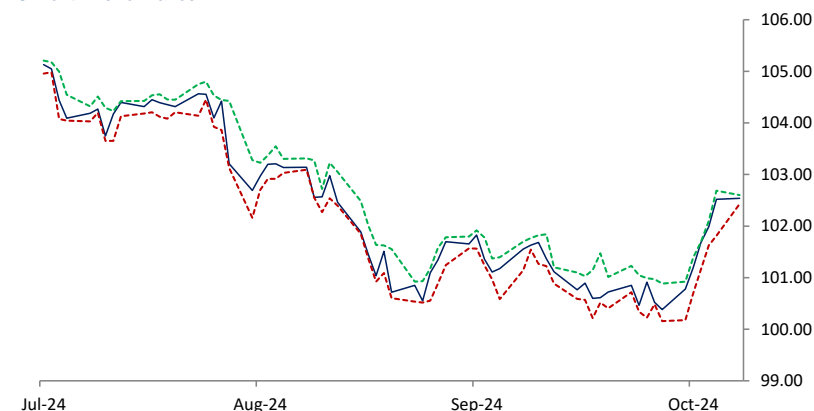
Brief Technical Commentary

The EURUSD price closed last Friday below 1.0990 level, looking at the chart we expect to witness more decline supported by the negative pressure formed by the 4H EMA50 noticing that a breach above 1.1040 level will stop expected decline.

The USDJPY price rallied upwards on last Friday closing above 148.50, looking to achieve more gains in the upcoming sessions to breach the 150.00 level. Therefore the bullish trend will be valid for upcoming period taking into consideration that breaking 147.25 will change the narrative.

Economic Events	Country	Event	Actual	Forecast	Previous
9-Oct-24	NZD	Official Cash Rate		4.75%	5.25%
9-Oct-24	USD	FOMC Meeting Minutes			
10-Oct-24	USD	Core CPI m/m		0.2%	0.3%
10-Oct-24	USD	CPI y/y		2.3%	2.5%
11-Oct-24	GBP	GDP m/m		0.2%	0.0%
11-Oct-24	CAD	Employment Change		33.1K	22.1K
11-Oct-24	CAD	Unemployment Rate		6.7%	6.6%
11-Oct-24	USD	Core PPI m/m		0.2%	0.3%
11-Oct-24	USD	PPI m/m		0.1%	0.2%
11-Oct-24	USD	Prelim UoM Consumer Sentiment		70.5	70.1

US Dollar Index 3-Month Performance



Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0976	0.63	EUR/GBP	0.8358	3.50
GBP/USD	1.3116	2.98	GBP/JPY	195.03	8.39
USD/JPY	148.71	5.24	EUR/JPY	163.16	4.61
USD/CHF	0.8580	1.94	EUR/CHF	0.9416	1.30

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	79.85	1.20	Dow Jones	42,352.75	0.81
Brent	77.72	0.33	Nikkei 225	38,635.62	0.22
West Texas	74.17	0.21	S&P 500	5,751.07	0.89
Gold	2,640.54	0.44	KuwaitSE	6,965.71	1.00

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.13	3.69	3.94	4.13	4.31
USD	4.85	4.85	4.58	4.28	3.87
EUR	3.40	3.27	3.25	3.05	2.69
GBP	4.95	4.96	4.79	4.62	4.29

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.17	3.95	3.83	3.98	4.25
Germany	2.57	2.19	2.06	2.21	2.49
United Kingdom	4.45	4.13	4.01	4.13	4.68
Japan	0.25	0.40	0.53	0.92	2.10

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