

Treasury Daily Newsletter

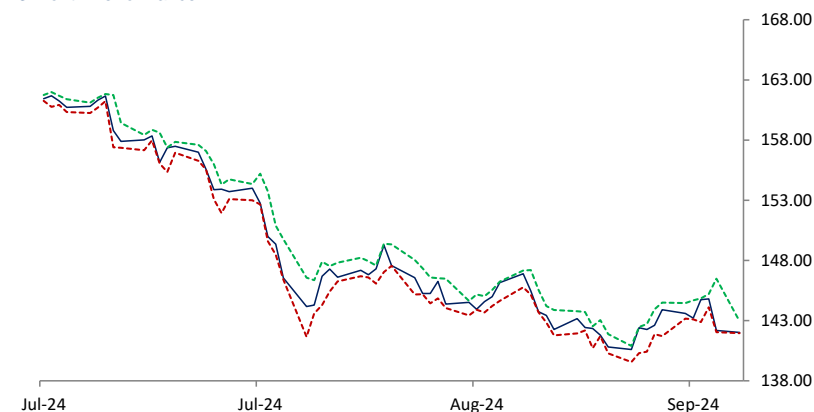
30-Sep-24

Kuwaiti Dinar Today 0.30470 / 0.30480

Key Market Highlights:

- In August, inflation moved closer to the Federal Reserve's target, which could ease the way for future interest rate cuts. The personal consumption expenditures (PCE) price index, a key measure of U.S. inflation, rose by 0.1%, bringing the 12-month inflation rate to 2.2%, down from 2.5% in July, the lowest since February 2021. Core PCE, excluding food and energy, also rose 0.1%, with a year-over-year increase of 2.7%. Although inflation showed progress, personal spending and income grew less than expected, with both rising by 0.2%. Last week, the Fed lowered its benchmark interest rate and shifted focus from inflation to supporting the labor market, hinting at further rate cuts this year and in 2025, though markets anticipate a more aggressive approach.
- In September, core inflation in Tokyo matched the Bank of Japan's (BOJ) 2% target, signaling progress toward potential interest rate hikes. The Tokyo core consumer price index (CPI), excluding fresh food costs, rose 2.0% year-over-year, down from 2.4% in August due to government subsidies for utility bills. This data is seen as an indicator of national inflation trends. Service prices also grew, reflecting rising labor costs. BOJ Governor Kazuo Ueda indicated the bank may continue raising rates if inflation stabilizes at 2% but will monitor global economic uncertainties given Japan's fragile recovery.

USD/JPY
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1040	1.1100	1.1160	1.1200	1.1260
GBP	1.3270	1.3325	1.3385	1.3430	1.3500
JPY	141.00	141.60	142.20	142.80	143.30
CHF	0.8300	0.8370	0.8415	0.8480	0.8520

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1163	1.19	EUR/GBP	0.8344	3.81
GBP/USD	1.3373	5.21	GBP/JPY	190.11	5.99
USD/JPY	142.19	0.72	EUR/JPY	158.72	1.95
USD/CHF	0.8405	0.08	EUR/CHF	0.9381	1.11

Brief Technical Commentary

GBPUSD: A break above the figure (1.3400) will resume the bullish trend. The first resistance level for the pair will be the previous high around (1.3430) followed by the (1.3500) level. Support on the other hand is at (1.3325) followed by (1.3270) which was last week's low. Short term view is bullish.

USDJPY resumes its bearish trend and is currently at (142.20) and below the 50,100 and 200 day SMA. The first support level is at (141.60) followed by (141.00). Resistance will be at (142.80). Short term outlook is bearish.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	76.22	1.21	Dow Jones	42,313.00	0.33
Brent	72.35	0.51	Nikkei 225	39,829.56	2.32
West Texas	68.53	0.51	S&P 500	5,738.17	0.13
Gold	2,657.30	0.03	KuwaitSE	7,151.67	0.63

Economic Events	Country	Event	Actual	Forecast	Previous
30-Sep-24	CNY	Manufacturing PMI	49.8	49.4	49.1
30-Sep-24	EUR	German Prelim CPI m/m		0.1%	-0.1%
30-Sep-24	USD	Fed Chair Powell Speaks			
1-Oct-24	EUR	CPI Flash Estimate y/y		1.9%	2.2%
1-Oct-24	USD	ISM Manufacturing PMI		47.6	47.2
1-Oct-24	USD	JOLTS Job Openings		7.64M	7.67M
2-Oct-24	USD	ADP Non-Farm Employment Change		124K	99K
3-Oct-24	USD	ISM Services PMI		51.6	51.5
4-Oct-24	USD	Non-Farm Employment Change		144K	142K
4-Oct-24	USD	Average Hourly Earnings m/m		0.3%	0.4%

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.06	3.69	3.94	4.13	4.31
USD	4.83	4.84	4.59	4.26	3.78
EUR	3.37	3.37	3.33	3.15	2.77
GBP	4.95	4.96	4.82	4.66	4.28

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.88	3.56	3.51	3.75	4.11
Germany	2.51	2.07	1.94	2.12	2.46
United Kingdom	4.28	3.93	3.83	3.98	4.57
Japan	0.25	0.38	0.50	0.85	2.07

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