

Treasury Daily Newsletter  
2-Dec-24

Kuwaiti Dinar Today 0.30720 / 0.30730

## Key Market Highlights:

- Euro area annual inflation rose to 2.3%, up from 2.0% in October. This increase was driven by a smaller decline in energy prices (-1.9%, compared to -4.6% in October) and steady inflation in services (3.9%) and food, alcohol, & tobacco (2.7%). Non-energy industrial goods inflation also edged up to 0.7%. These trends highlight persistent inflationary pressures despite energy deflation, raising concerns for the European Central Bank's policy approach. Meanwhile, the markets are pricing in a 75% probability of a 25bps rate in the ECB's next meeting, while there is also a 25% probability of a more aggressive 50bps cut.
- Tokyo's core consumer price index (CPI), excluding fresh food, rose by 2.2% year-on-year, surpassing expectations and remaining above the Bank of Japan's (BOJ) 2% target. This uptick was driven by increased prices in both food and services, partly due to the phase-out of utility subsidies and rising service-sector costs, indicating potential wage-driven inflation. Consequently, market speculation has intensified regarding a possible BOJ interest rate hike in December, with traders now assigning a 58% probability to such a move.

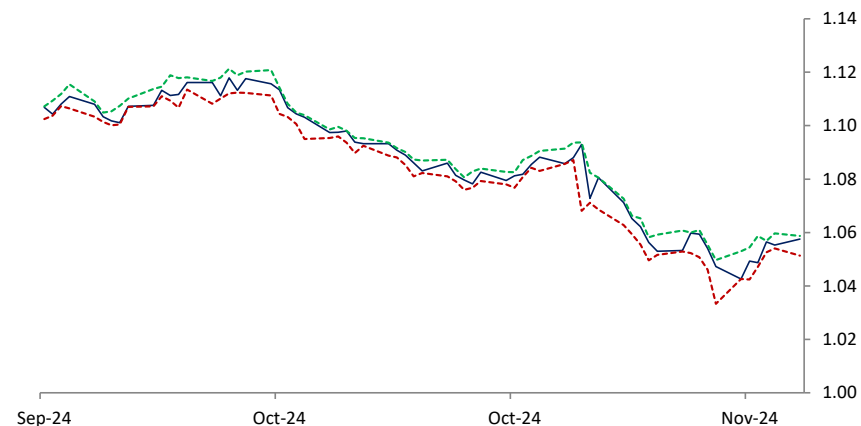
| Technical Levels | Support 2 | Support 1 | Spot   | Resistance 1 | Resistance 2 |
|------------------|-----------|-----------|--------|--------------|--------------|
| EUR              | 1.0420    | 1.0475    | 1.0525 | 1.0585       | 1.0640       |
| GBP              | 1.2600    | 1.2640    | 1.2690 | 1.2750       | 1.2800       |
| JPY              | 149.50    | 150.00    | 150.50 | 151.00       | 151.50       |
| CHF              | 0.8740    | 0.8795    | 0.8845 | 0.8890       | 0.8940       |

## Brief Technical Commentary

EURUSD has remained comfortable above (1.0500) and is currently trading at (1.0525). Resistance for the pair will be at (1.0585) followed by (1.0640). A break below the figure will push the pair to test support at 1.0475. Short term outlook is bearish.

USDJPY tested the recent lows of (149.50). The pair is currently trading at (150.50). Resistance is at (151.0) and (151.50). If the pair continues its move to downside then it may test support at the figure (150.00) followed by the previous low of (149.50).

| Economic Events | Country | Event                          | Actual | Forecast | Previous |
|-----------------|---------|--------------------------------|--------|----------|----------|
| 02-Dec-24       | USD     | ISM Manufacturing PMI          |        | 47.7     | 46.5     |
| 03-Dec-24       | USD     | JOLTS Job Openings             |        | 7.49M    | 7.44M    |
| 04-Dec-24       | AUD     | GDP q/q                        |        | 0.5%     | 0.2%     |
| 04-Dec-24       | GBP     | BOE Gov Bailey Speaks          |        |          |          |
| 04-Dec-24       | USD     | ADP Non-Farm Employment Change |        | 166K     | 233K     |
| 04-Dec-24       | USD     | ISM Services PMI               |        | 55.5     | 56.0     |
| 04-Dec-24       | USD     | Fed Chair Powell Speaks        |        |          |          |
| 05-Dec-24       | USD     | Unemployment Claims            |        | 215K     | 213K     |
| 06-Dec-24       | CAD     | Unemployment Rate              |        |          | 6.5%     |
| 06-Dec-24       | USD     | Unemployment Rate              |        | 4.2%     | 4.1%     |

EUR/USD  
3-Month Performance

| Currencies | Closing | YTD % | Closing | YTD %  |      |
|------------|---------|-------|---------|--------|------|
| EUR/USD    | 1.0575  | 4.62  | EUR/GBP | 0.8304 | 4.35 |
| GBP/USD    | 1.2737  | 0.30  | GBP/JPY | 190.59 | 6.50 |
| USD/JPY    | 149.75  | 6.81  | EUR/JPY | 158.35 | 1.90 |
| USD/CHF    | 0.8809  | 5.15  | EUR/CHF | 0.9320 | 0.27 |

| Commodities | Last Price | % Change | Global Indices | Last Price | % Change |
|-------------|------------|----------|----------------|------------|----------|
| Kuwait Oil  | 73.59      | 0.75     | Dow Jones      | 44,910.65  | 0.42     |
| Brent       | 72.94      | 0.47     | Nikkei 225     | 38,208.03  | 0.37     |
| West Texas  | 68.14      | 0.49     | S&P 500        | 6,032.38   | 0.56     |
| Gold        | 2,628.94   | 0.94     | KuwaitSE       | 7,245.99   | 0.00     |

| Local & Global Rates (%) | O/N  | 1-Month | 3-Month | 6-Month | 1-Year |
|--------------------------|------|---------|---------|---------|--------|
| KWD                      | 3.50 | 3.69    | 3.94    | 4.13    | 4.31   |
| USD                      | 4.57 | 4.53    | 4.47    | 4.38    | 4.25   |
| EUR                      | 3.13 | 3.00    | 2.93    | 2.70    | 2.46   |
| GBP                      | 4.70 | 4.70    | 4.66    | 4.55    | 4.38   |

| Government Yields (%) | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|-----------------------|--------|--------|--------|---------|---------|
| United States         | 4.29   | 4.19   | 4.10   | 4.22    | 4.39    |
| Germany               | 2.22   | 1.91   | 1.91   | 2.08    | 2.31    |
| United Kingdom        | 4.47   | 4.22   | 4.09   | 4.24    | 4.74    |
| Japan                 | 0.50   | 0.61   | 0.74   | 1.07    | 2.28    |

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