

## Treasury Daily Newsletter

3-Jul-24

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**Key Market Highlights:**

- The US labor market continued to show resilience in May 2024, with the number of job openings unexpectedly rising to 8.14 million. This surpasses economists' expectations and marks a significant improvement from the record high ratio of job openings to unemployed people seen in March 2022. The ratio fell to 1.22 in May, which is the same level recorded in February 2020, before the pandemic. This indicates a tighter labor market with more job opportunities available for job seekers.
- The Caixin China General Services PMI dipped to 51.2 in June 2024, after reaching a 10-month high of 54.0 in May, indicating a slowdown in the services sector's growth. This is the slowest pace since October 2023. New business and export orders moderated, while employment contracted for the fourth time in five months. Despite rising input costs, businesses only marginally increased their selling prices. Business sentiment weakened to a two-year low on concerns about the economic slowdown.

Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0650	1.0700	1.0744	1.0790	1.0850
GBP	1.2580	1.2625	1.2685	1.2735	1.2800
JPY	160.50	161.10	161.66	162.20	163.00
CHF	0.8920	0.8980	0.9040	0.9090	0.9135

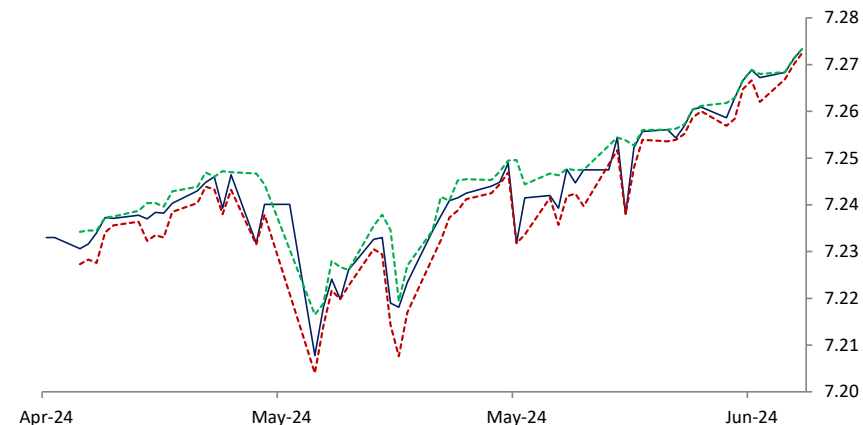
**Brief Technical Commentary**

GBP/USD: The GBP strengthened against the USD at the beginning of the New York open. A break above yesterday's high (1.2693) could see the pair test resistance at (1.2735). Support levels are at (1.0700-1.0650). Currently the pair is trading above the 50,100,200 SMA (on Daily chart).

USD/JPY: The pair continues to trade above the 161 level and is currently trading at (161.66). The next resistance is at (162.20-163.00) and support is at (161.10 -160.50). Short term outlook is bearish for the Yen given that the BoJ does not decide to intervene (165 level) and the carry trade environment remains in play.

Economic Events	Country	Event	Actual	Forecast	Previous
01-Jul-24	EUR	German Prelim CPI m/m	0.1%	0.2%	0.1%
01-Jul-24	USD	ISM Manufacturing PMI	48.5	49.2	48.7
01-Jul-24	EUR	ECB President Lagarde Speaks			
02-Jul-24	EUR	CPI Flash Estimate y/y	2.5%	2.5%	2.6%
02-Jul-24	USD	Fed Chair Powell Speaks			
02-Jul-24	USD	JOLTS Job Openings	8.14M	7.86M	8.06M
03-Jul-24	USD	ADP Non-Farm Employment Change		156K	152K
03-Jul-24	USD	FOMC Meeting Minutes			
04-Jul-24	GBP	Parliamentary Elections			
05-Jul-24	USD	Unemployment Rate		4.0%	4.0%

USD/CNY  
3-Month Performance



Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0744	2.70	EUR/GBP	0.8469	2.33
GBP/USD	1.2684	0.39	GBP/JPY	204.78	14.29
USD/JPY	161.4400	14.70	EUR/JPY	173.45	11.64
USD/CHF	0.9037	7.47	EUR/CHF	0.9712	4.59

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	91.01	0.66	Dow Jones	39,331.85	0.41
Brent	86.65	0.48	Nikkei 225	40,074.69	1.12
West Texas	83.16	0.42	S&P 500	5,509.01	0.61
Gold	2,333.75	0.19	KuwaitSE	6,937.13	0.08

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.81	4.06	4.31	4.50	4.69
USD	5.40	5.33	5.32	5.25	5.05
EUR	3.64	3.66	3.71	3.68	3.57
GBP	5.20	5.21	5.12	5.05	4.90

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	5.06	4.75	4.40	4.44	4.60
Germany	3.18	2.89	2.57	2.59	2.78
United Kingdom	4.65	4.14	4.07	4.25	4.74
Japan	0.18	0.34	0.59	1.09	2.26

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