

Treasury Daily Newsletter

6-Jan-25

Kuwaiti Dinar Today 0.30840 / 0.30850

Key Market Highlights:

- Seasonally adjusted initial unemployment claims were 211,000 in the last week of December, a decrease of 9,000 from the prior week's revised figure of 220,000. The 4-week moving average declined by 3,500 to 223,250, reflecting a slight improvement. The insured unemployment rate for the week ending December 21 was 1.2%, down 0.1 percentage points from the previous week. Insured unemployment claims totaled 1,844,000, a drop of 52,000 from the preceding week. These trends indicate modest declines in unemployment claims, suggesting stable labor market conditions.
- The Caixin China General Manufacturing PMI fell slightly to 50.5 in December 2024, down from November's five-month high of 51.5, missing market expectations of 51.7. Despite marking the third consecutive month of factory growth, both output and new orders expanded at slower rates, while foreign orders declined after significant growth in the prior month. Employment dropped for the fourth straight month, contributing to backlog accumulation. Buying levels rose for the third month as firms-built safety stocks, and vendor performance improved slightly. Selling prices declined for the first time since September, contrasting with rising input costs. Business confidence weakened, reaching a three-month low due to concerns about growth, trade outlooks, and the impact of potential U.S. tariffs.

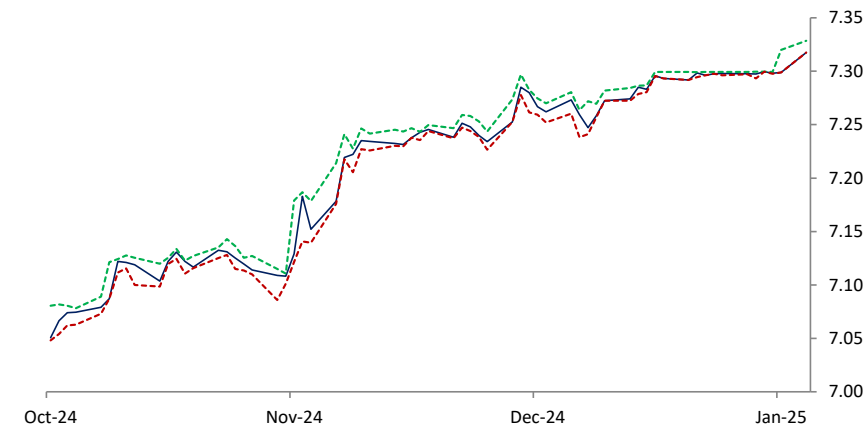
Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0220	1.0270	1.0315	1.0360	1.0420
GBP	1.2350	1.2390	1.2440	1.2500	1.2550
JPY	156.70	157.10	157.70	158.10	158.70
CHF	0.9000	0.9040	0.9090	0.9140	0.9200

Brief Technical Commentary

EURUSD has recovered from the recent low of (1.0223) and is currently trading at (1.0315), under the 50,100, and 200 day SMA (daily). Support is now at (1.0270) and (1.0220). If the pair can maintain above the 1.03 handle then it can test resistance at (1.0360) followed by (1.0420). Medium term outlook is still bearish.

USDJPY continues grinding higher and is currently trading at 157.70. Support for the pair is at (157.10) and resistance is at the recent highs around (158.10) followed by (158.70). Currently the pair is above the 50,100, and 200 day SMA (daily) and is approaching oversold territory on the RSI (64.5) daily chart.

Economic Events	Country	Event	Actual	Forecast	Previous
06-Jan-25	EUR	German Prelim CPI m/m		0.3%	-0.2%
06-Jan-25	USD	Final Services PMI		58.5	58.5
07-Jan-25	CHF	CPI m/m		-0.1%	-0.1%
07-Jan-25	EUR	CPI Flash Estimate y/y		2.4%	2.2%
07-Jan-25	USD	JOLTS Job Openings		7.77M	7.74M
08-Jan-25	AUD	CPI y/y		2.2%	2.1%
08-Jan-25	USD	ADP Non-Farm Employment Change		131K	146K
08-Jan-25	USD	FOMC Meeting Minutes			
09-Jan-25	CNY	CPI y/y		0.1%	0.2%
10-Jan-25	USD	Non-Farm Employment Change		154K	227K

USD/CNY
3-Month Performance

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0308	0.40	EUR/GBP	0.8298	0.16
GBP/USD	1.2420	0.56	GBP/JPY	195.28	0.34
USD/JPY	157.27	0.50	EUR/JPY	162.13	0.40
USD/CHF	0.9082	0.24	EUR/CHF	0.9363	0.16

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	78.20	0.66	Dow Jones	42,732.13	0.80
Brent	76.64	0.31	Nikkei 225	39,307.05	1.47
West Texas	74.04	0.31	S&P 500	5,942.47	1.25
Gold	2,631.72	0.28	KuwaitSE	7,416.38	0.33

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.50	3.69	4.00	4.19	4.38
USD	4.40	4.32	4.29	4.24	4.16
EUR	2.90	2.79	2.73	2.55	2.45
GBP	4.70	4.71	4.61	4.54	4.44

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.12	4.28	4.43	4.62	4.83
Germany	2.28	2.15	2.24	2.43	2.66
United Kingdom	4.64	4.41	4.37	4.58	5.14
Japan	0.48	0.60	0.77	1.12	2.30

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 (FAX +965 2229 1441).