

Treasury Daily Newsletter

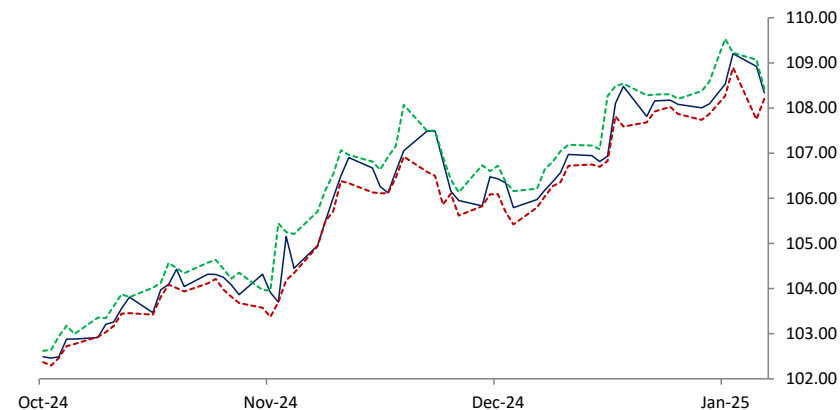
7-Jan-25

Kuwaiti Dinar Today 0.30815 / 0.30825

Key Market Highlights:

- The S&P 500 and Nasdaq Composite both gained on Monday, marking their second consecutive day of increases as Wall Street rebounded from last week's losses, driven by a surge in chipmaker stocks. The S&P 500 rose 0.55% to close at 5,975.38, while the Nasdaq climbed 1.24% to 19,864.98. However, the Dow Jones Industrial Average fell slightly by 25.57 points (0.06%) to 42,706.56, despite being up as much as 383 points earlier in the day. Investor sentiment improved following a Washington Post report suggesting that President-elect Donald Trump's proposed tariffs might be narrower than expected, targeting only critical imports, and causing the greenback to decline and settle at 108.2. This contrasted with his campaign calls for universal tariffs of 10%-20%. Meanwhile, the 10-year Treasury yield rose above 4.6% ahead of significant economic data due this week, including December's NFP report on Friday, which could influence the Federal Reserve's upcoming meeting.
- Oil prices ended a five-day winning streak as technical signals suggested the recent rally might have been overdone. West Texas Intermediate (WTI) declined, settling below \$74 per barrel after briefly reaching its highest level since October. Prior to this, prices were supported by Saudi Arabia's decision to increase oil prices for Asian buyers, reflecting confidence in demand. This followed recent price increases for Oman and Dubai crude due to limited exports from Iran and Russia. However, concerns about a potential oversupply down the road, the possible reactivation of idled OPEC+ production, and weak demand from top importer China dampened market sentiment.

US Dollar Index 3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0300	1.0350	1.0395	1.0450	1.0500
GBP	1.2435	1.2475	1.2535	1.2600	1.2650
JPY	157.00	157.50	158.05	158.50	159.00
CHF	0.8950	0.9000	0.9040	0.9100	0.9140

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0390	0.45	EUR/GBP	0.8296	0.21
GBP/USD	1.2517	0.22	GBP/JPY	197.26	0.55
USD/JPY	157.60	0.59	EUR/JPY	163.74	0.54
USD/CHF	0.9046	0.40	EUR/CHF	0.9399	0.03

Brief Technical Commentary

Broad based USD weakness yesterday due to Trump's team announcing that they will be exploring new tariff plans which will be applied to every country but only on "sectors critical to national or economic security." EURUSD hit a high of (1.0437) and is currently trading at (1.0390). Support is now at (1.0350) and (1.0300) and resistance is at (1.0450) followed by (1.0500).

USDJPY broke the 158 handle off the back of yesterday's USD selloff with a high of (158.41). The next resistance is around (158.50) followed by (159.00). Support is at (157.50). Currently the pair is above the 50,100, and 200 day SMA (daily) and is approaching oversold territory on the RSI (65.95) daily chart.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	78.20	0.69	Dow Jones	42,706.56	0.06
Brent	76.26	0.00	Nikkei 225	39,307.05	1.47
West Texas	73.40	0.10	S&P 500	5,975.38	0.55
Gold	2,643.82	0.32	KuwaitSE	7,430.29	0.32

Economic Events	Country	Event	Actual	Forecast	Previous
6-Jan-25	EUR	German Prelim CPI m/m	0.4%	0.3%	-0.2%
6-Jan-25	USD	Final Services PMI	56.8	58.5	58.5
7-Jan-25	CHF	CPI m/m		-0.1%	-0.1%
7-Jan-25	EUR	CPI Flash Estimate y/y		2.4%	2.2%
7-Jan-25	USD	JOLTS Job Openings		7.77M	7.74M
8-Jan-25	AUD	CPI y/y		2.2%	2.1%
8-Jan-25	USD	ADP Non-Farm Employment Change		131K	146K
8-Jan-25	USD	FOMC Meeting Minutes			
9-Jan-25	CNY	CPI y/y		0.1%	0.2%
10-Jan-25	USD	Non-Farm Employment Change		154K	227K

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.50	3.75	4.00	4.19	4.38
USD	4.31	4.31	4.29	4.24	4.18
EUR	2.90	2.79	2.73	2.55	2.45
GBP	4.70	4.71	4.60	4.54	4.44

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.13	4.26	4.41	4.61	4.83
Germany	2.32	2.17	2.25	2.44	2.66
United Kingdom	4.61	4.43	4.40	4.60	5.18
Japan	0.48	0.63	0.78	1.13	2.31

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