

Treasury Daily Newsletter
2-Oct-24

Kuwaiti Dinar Today 0.30510 / 0.30520

Key Market Highlights:

- The annual inflation rate in the Eurozone fell to 1.8% in September 2024, its lowest since April 2021, down from 2.2% in August and below forecasts of 1.9%. Inflation is now below the ECB's 2% target. Energy prices dropped significantly (-6% vs -3%), and inflation for services eased slightly (4% vs 4.1%), while prices for food, alcohol, and tobacco rose marginally (2.4% vs 2.3%). Core inflation also eased to 2.7% from 2.8%. Inflation slowed in major economies like Germany, France, Italy, and Spain. The ECB anticipates inflation to rise later in 2024 due to previous sharp falls in energy prices dropping out of the annual rates, with a gradual decline toward 2% expected by the second half of 2025.
- Over in the US, the number of job openings increased by 329,000 to 8.04 million in August, surpassing market expectations of 7.64 million. Significant job openings growth occurred in construction (+138,000) and state and local government, excluding education (+78,000), while other services saw a decrease (-93,000). Regionally, job openings rose in the Northeast, South, Midwest, and West. The number of hires remained steady at 5.3 million, as did total separations at 5.0 million. However, job quits fell to 3.084 million, the lowest level since August 2020, down from 3.243 million in July.

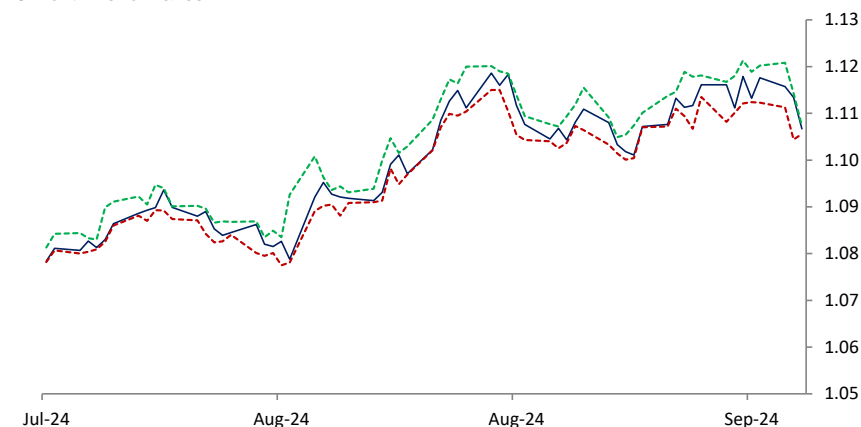
Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0955	1.1005	1.1065	1.1120	1.1200
GBP	1.3150	1.3220	1.3280	1.3330	1.3400
JPY	142.40	143.35	143.85	144.30	145.00
CHF	0.8390	0.8420	0.8460	0.8510	0.8550

Brief Technical Commentary

EUR/USD: The pair dropped due to risk-off happening because of Iran's response. The pair dropped towards 1.1045. A break below support at 1.1005 might turn the pair bearish towards 1.0955.

GBP/USD: The cable dropped due to Iran's response and dropped towards 1.3236. A break below 1.3220 will take the pair lower towards 1.3150.

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	0.0%	0.1%	-0.1%
30-Sep-24	USD	Fed Chair Powell Speaks			
01-Oct-24	EUR	CPI Flash Estimate y/y	1.8%	1.9%	2.2%
01-Oct-24	USD	ISM Manufacturing PMI	47.2	47.6	47.2
01-Oct-24	USD	JOLTS Job Openings	8.04M	7.64M	7.67M
02-Oct-24	USD	ADP Non-Farm Employment Change		124K	99K
03-Oct-24	USD	ISM Services PMI		51.6	51.5
04-Oct-24	USD	Non-Farm Employment Change		144K	142K
04-Oct-24	USD	Average Hourly Earnings m/m		0.3%	0.4%

EUR/USD
3-Month Performance

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1067	0.20	EUR/GBP	0.8330	3.89
GBP/USD	1.3285	4.23	GBP/JPY	190.64	6.12
USD/JPY	143.5600	1.79	EUR/JPY	158.88	2.02
USD/CHF	0.8465	0.44	EUR/CHF	0.9369	0.65

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	76.82	4.87	Dow Jones	42,156.97	0.41
Brent	74.85	1.75	Nikkei 225	37,888.07	1.98
West Texas	71.18	1.93	S&P 500	5,708.75	0.93
Gold	2,649.24	0.51	KuwaitSE	7,156.71	0.29

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.44	3.69	3.94	4.13	4.31
USD	4.96	4.85	4.61	4.28	3.82
EUR	3.38	3.35	3.28	3.11	2.75
GBP	4.95	4.96	4.81	4.64	4.28

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.90	3.60	3.50	3.73	4.07
Germany	2.46	2.01	1.88	2.04	2.37
United Kingdom	4.35	3.94	3.81	3.93	4.51
Japan	0.23	0.36	0.47	0.81	2.06

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