

Treasury Daily Newsletter
12-Sep-24

Kuwaiti Dinar Today 0.30515 / 0.30525

Key Market Highlights:

- In August, inflation fell to its lowest level since February 2021, with the consumer price index rising by 0.2% for the month, putting the 12-month inflation rate at 2.5%. This was lower than the expected 2.6%. However, core inflation, excluding food and energy, rose 0.3%, slightly above the forecasted 0.2%, keeping the 12-month core inflation rate at 3.2%. This complicates the Federal Reserve's decision on a potential interest rate cut. Despite the overall moderation in inflation, housing costs, which make up a third of the index, rose 0.5%, contributing significantly to the overall CPI increase. Other factors, such as rising prices in apparel, airline fares, and motor vehicle insurance, also pushed costs higher, while energy prices dropped 0.8%. Markets are currently pricing an 87% probability of a 25bps in the upcoming FOMC meeting.
- In July, the UK economy showed no growth, following a stall in June, according to the Office for National Statistics (ONS). This fell short of the expected 0.2% growth. The services index grew by 0.6% over three months, down from June's 0.8%. Additionally, industrial production and manufacturing production both declined unexpectedly, falling by 0.8% and 1.0% respectively, missing market expectations.

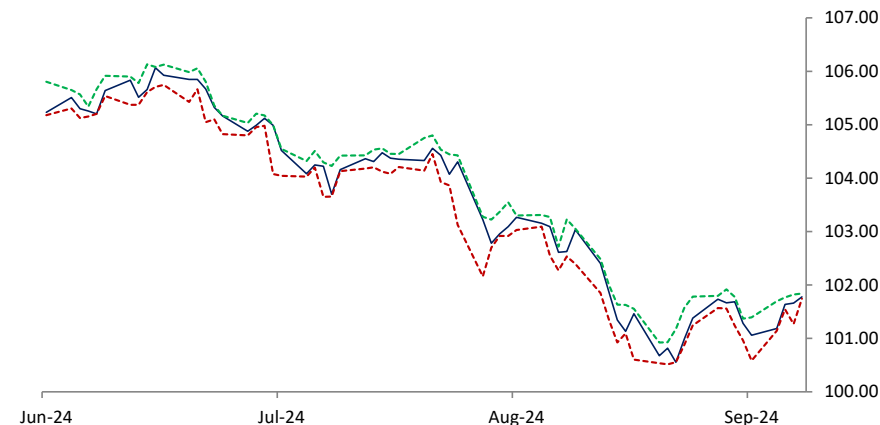
Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0940	1.0985	1.1015	1.1040	1.1100
GBP	1.2950	1.3000	1.3045	1.3080	1.3125
JPY	141.35	142.00	142.80	143.50	144.00
CHF	0.8455	0.8500	0.8535	0.8565	0.8600

Brief Technical Commentary

EUR/USD: The pair price shows negative trades in previous sessions looking to break the 1.1000 level and approach 1.0990, therefore we will keep suggesting bearish trend keeping in mind ECB rate decision today. The pair currently is at 1.1015 support levels at (1.0985-1.0940).

GBP/USD: The pair price traded negatively yesterday following weak UK GDP, more negative pressure to the pair suggests continuation of correctional bearish trend. The pair currently is at 1.3045, support levels at (1.3000-1.2950).

Economic Events	Country	Event	Actual	Forecast	Previous
09-Sep-24	CNY	CPI y/y	0.6%	0.7%	0.5%
10-Sep-24	GBP	Claimant Count Change	23.7K	95.5K	135.0K
11-Sep-24	GBP	GDP m/m	0.0%	0.2%	0.0%
11-Sep-24	USD	Core CPI m/m	0.3%	0.2%	0.2%
11-Sep-24	USD	CPI y/y	2.5%	2.6%	2.9%
12-Sep-24	EUR	Main Refinancing Rate		3.65%	4.25%
12-Sep-24	EUR	Monetary Policy Statement			
12-Sep-24	USD	PPI m/m		0.3%	0.2%
12-Sep-24	USD	Unemployment Claims		-0.9%	-0.8%
13-Sep-24	USD	Prelim UoM Consumer Sentiment		68.4	67.9

US Dollar Index
3-Month Performance

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1011	0.18	EUR/GBP	0.8437	2.63
GBP/USD	1.3043	2.51	GBP/JPY	185.64	3.79
USD/JPY	142.3500	1.22	EUR/JPY	156.75	1.08
USD/CHF	0.8520	1.40	EUR/CHF	0.9383	1.24

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	74.40	0.75	Dow Jones	40,861.71	0.31
Brent	71.16	0.78	Nikkei 225	36,830.66	3.40
West Texas	67.76	0.67	S&P 500	5,554.13	1.07
Gold	2,518.63	0.29	KuwaitSE	7,147.01	0.66

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.75	4.00	4.25	4.44	4.56
USD	5.33	5.10	4.93	4.55	3.95
EUR	3.64	3.49	3.46	3.29	2.97
GBP	4.95	4.92	4.83	4.64	4.24

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.10	3.66	3.46	3.66	3.97
Germany	2.65	2.15	1.97	2.11	2.39
United Kingdom	4.20	3.77	3.59	3.74	4.35
Japan	0.24	0.38	0.50	0.85	2.04

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