

Treasury Daily Newsletter
26-Nov-24

Kuwaiti Dinar Today 0.30760 / 0.30770

Key Market Highlights:

- The dollar index rose above 107 on Tuesday after President-elect Donald Trump reiterated threats to increase tariffs, particularly targeting China, Mexico, and Canada. Trump announced plans for a 10% tariff on Chinese goods and a 25% tariff on imports from Mexico and Canada, boosting demand for the US dollar. This followed a 0.6% decline on Monday after Trump nominated hedge fund manager Scott Bessent as Treasury Secretary, which temporarily stabilized markets. Investors are now focused on upcoming FOMC meeting minutes, PCE inflation data, and other economic indicators that could influence the Federal Reserve's monetary policy.
- Germany's Ifo Business Climate indicator fell to 85.7 in November 2024, down from 86.5 in October and below expectations of 86.1. The decline is attributed to political instability following the government's collapse and concerns about potential tariffs from the incoming Trump administration. The sub-index for current conditions dropped to 84.3, while business expectations slightly decreased to 87.2. Ifo president Clemens Fuest noted that the German economy is showing weakness, with companies increasingly cautious about the future. In manufacturing, sentiment worsened, though companies were marginally more satisfied with the present situation. The services sector saw a sharp decline in the business climate index, reflecting a more negative view of the current situation and outlook. In contrast, the retail sector showed some improvement, though overall optimism remains low.

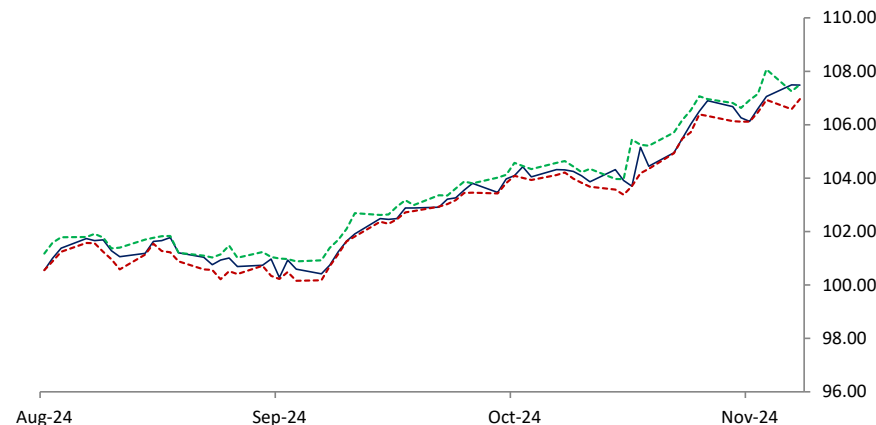
Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0360	1.0415	1.0475	1.0530	1.0600
GBP	1.2450	1.2500	1.2550	1.2600	1.2650
JPY	152.60	153.10	153.80	154.50	155.00
CHF	0.8760	0.8820	0.8870	0.8915	0.8960

Brief Technical Commentary

EURUSD is back below the (1.0500) level and is currently at (1.0475) with support at (1.0415) followed by (1.0360). If the pair manages to trade above the figure than it may test the resistance at yesterdays high (1.0530). The pair is approaching oversold territories again (RSI 34.34- Daily).

USDJPY has been trading in a 1 figure range this week between (153.80 - 154.80). A break above may test resistance at (155.00) and a break bellow will test support at (153.10) followed by (152.60). The Yen is still trading above the 50,100, 200 day SMA.

Economic Events	Country	Event	Actual	Forecast	Previous
25-Nov-24	NZD	Retail Sales q/q	-0.1%	-0.5%	-1.2%
26-Nov-24	USD	CB Consumer Confidence		112.0	108.7
26-Nov-24	USD	FOMC Meeting Minutes			
27-Nov-24	AUD	CPI y/y		2.5%	2.1%
27-Nov-24	NZD	Official Cash Rate		4.25%	4.75%
27-Nov-24	NZD	Monetary Policy Statement			
27-Nov-24	USD	Core PCE Price Index m/m		0.3%	0.3%
28-Nov-24	AUD	RBA Gov Bullock Speaks			
29-Nov-24	JPY	Tokyo Core CPI y/y		2.0%	1.8%
30-Nov-24	CNY	Manufacturing PMI		50.3	50.1

US Dollar Index
3-Month Performance

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0494	5.09	EUR/GBP	0.8346	3.71
GBP/USD	1.2567	1.45	GBP/JPY	193.74	7.61
USD/JPY	154.21	9.17	EUR/JPY	161.80	3.66
USD/CHF	0.8859	5.43	EUR/CHF	0.9301	0.10

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	75.29	2.70	Dow Jones	44,736.57	0.99
Brent	73.20	0.26	Nikkei 225	38,241.65	1.39
West Texas	69.11	0.25	S&P 500	5,987.37	0.30
Gold	2,622.26	0.11	KuwaitSE	7,259.12	0.61

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.44	3.69	3.94	4.19	4.38
USD	4.57	4.59	4.52	4.44	4.33
EUR	3.14	3.08	3.02	2.77	2.49
GBP	4.70	4.70	4.66	4.56	4.40

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.36	4.27	4.19	4.29	4.47
Germany	2.26	2.00	2.04	2.20	2.43
United Kingdom	4.51	4.30	4.20	4.33	4.81
Japan	0.46	0.58	0.72	1.06	2.28

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).