

Treasury Daily Newsletter

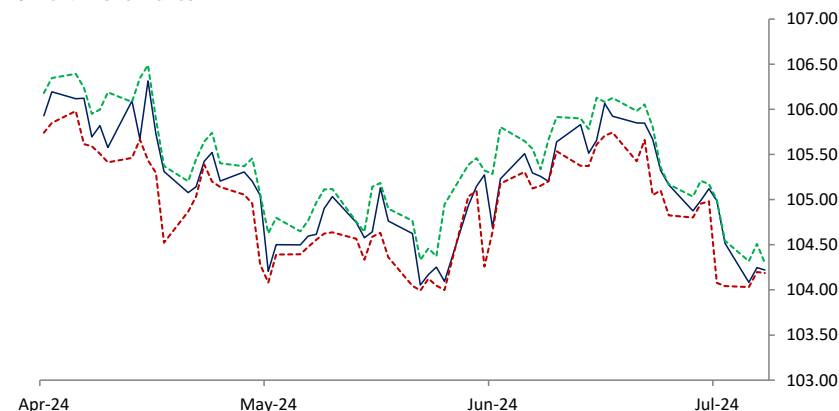
17-Jul-24

Kuwaiti Dinar Today 0.30565 / 0.30575

Key Market Highlights:

- US retail sales came in higher than expectations in June, where the figure was unchanged for the month, above expectations for a 0.3% decline, while lower than the 0.3% increase seen in May. Meanwhile core retail sales increased 0.4% for the month, higher than expectations and the previous 0.1% increase in May. The figure comes following an interview with Fed Chair Jerome Powell, where he spoke about the current situation of the economy, emphasizing that the upcoming data would be crucial in determining the next step for the Fed in terms of interest rates. Adding that while the second quarter of the year showed improvements in inflation and a softening labor market, more improvements need to be seen in order to be sure inflation is moving down sustainably. Meanwhile the US dollar remains lower for the month, last seen trading at 104.17.
- Canadian CPI rose 2.7% y/y in June, down from 2.9% in May. While the m/m figure was down 0.1%, lower than the 0.6% increase seen in May. The decrease is mainly attributed to a slower y/y growth in gas prices, which rose 0.4% in June compared to 5.6% in May. Decreases were also seen in durable goods as well as cellular services which decreased 1.8% and 12.8% respectively.

US Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0800	1.0850	1.0903	1.0950	1.1000
GBP	1.2860	1.2910	1.2970	1.3000	1.3070
JPY	157.20	157.70	158.25	158.85	159.40
CHF	0.8840	0.8900	0.8938	0.9000	0.9050

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0897	1.22	EUR/GBP	0.8403	3.14
GBP/USD	1.2965	2.00	GBP/JPY	205.31	14.19
USD/JPY	158.3400	11.94	EUR/JPY	172.55	10.61
USD/CHF	0.8934	6.18	EUR/CHF	0.9738	4.91

Brief Technical Commentary

GBP/USD: The pair is consolidating around (1.2970) ahead of UK CPI, PPI and RPI data this morning. If the pair is able to break through (1.3000) then it may test the next resistance at (1.3070). Conversely, if the GBP falls then it may return to previous ranges and test supports at (1.2910-1.2860).

USD/JPY: continues its bearish trend and is trading around (158.25), currently testing the 100 day SMA (daily chart). The next support levels are at (157.70-157.20) and resistance is at (158.85-159.40). Short term outlook continues to remain bearish for the pair.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	87.87	0.07	Dow Jones	40,954.48	1.85
Brent	83.66	0.08	Nikkei 225	41,131.44	0.35
West Texas	80.69	0.09	S&P 500	5,667.20	35.98
Gold	2,467.20	0.06	KuwaitSE	7,101.66	0.23

Economic Events	Country	Event	Actual	Forecast	Previous
15-Jul-24	USD	Fed Chair Powell Speaks			
16-Jul-24	CAD	CPI m/m	-0.01%	0.1%	0.6%
16-Jul-24	USD	Core Retail Sales m/m	0.4%	0.1%	-0.1%
17-Jul-24	GBP	CPI y/y		1.9%	2.0%
18-Jul-24	AUD	Employment Change		20.2K	39.7K
18-Jul-24	AUD	Unemployment Rate		4.1%	4.0%
18-Jul-24	USD	Unemployment Claims		229K	222K
18-Jul-24	EUR	ECB Press Conference			
19-Jul-24	GBP	Retail Sales m/m		-0.6%	2.9%
19-Jul-24	CAD	Core Retail Sales m/m		0.3%	1.8%

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.75	4.00	4.25	4.44	4.63
USD	5.34	5.33	5.28	5.13	4.80
EUR	3.60	3.57	3.66	3.64	3.52
GBP	5.20	5.15	5.10	5.00	4.78

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.80	4.44	4.10	4.18	4.39
Germany	3.13	2.76	2.40	2.43	2.61
United Kingdom	4.53	3.98	3.87	4.05	4.55
Japan	0.13	0.32	0.57	1.03	2.16

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).