

Treasury Daily Newsletter

15-Apr-25

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Key Market Highlights:

- President Trump announced plans to introduce new tariffs on imported semiconductors, suggesting some companies might get flexibility. This means temporary exemptions for smartphones and computers from earlier China tariffs could end soon, as the U.S. pushes to boost domestic chip production. Trump stressed the need for "flexibility" but did not confirm if phones or laptops would stay exempt. He also ordered a national security review of the semiconductor industry and electronics supply chains. While the White House initially exempted tech products from steep tariffs, Commerce Secretary Howard Lutnick clarified that critical Chinese tech imports (like semiconductors) will face new tariffs within two months. These are separate from the 125% retaliatory tariffs on China, which triggered market volatility and a 10% drop in the S&P 500 since January. China responded by raising its own tariffs to 125% and is evaluating the U.S. exemptions. Beijing hinted the U.S. should resolve the trade conflict, quoting a proverb: "Only the one who tied the bell can untie it." Investor Bill Ackman urged Trump to pause tariffs on China for 90 days and reduce them to 10%, arguing this would push companies to move supply chains from China without economic disruption.
- Federal Reserve Governor Christopher Waller stated Monday that he anticipates the inflationary impact of President Donald Trump's proposed tariffs to be short-lived, reviving the term "transitory" — a label that drew criticism during the 2021–2022 inflation surge. Speaking in St. Louis, Waller acknowledged the term's controversial history but argued that past misjudgments shouldn't prevent its use when appropriate. He likened his stance to the Philadelphia Eagles' divisive "tush push" football tactic, which, despite occasional failures, remains strategically viable. Waller outlined two potential outcomes for tariffs. The first one is long-term tariffs that could initially push inflation to 4–5%, but higher prices would eventually ease as economic growth slows and unemployment rises. Secondly, smaller tariffs might drive inflation to around 3% before declining. In both cases, the Fed would likely cut interest rates, though timing would differ. Aggressive tariffs might force earlier cuts to support growth, while milder duties could allow rate reductions later in the year as inflation cools.

Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1275	1.1310	1.1355	1.1410	1.1475
GBP	1.3100	1.3160	1.3210	1.3260	1.3300
JPY	142.00	142.50	143.00	143.50	144.00
CHF	0.8060	0.8100	0.8165	0.8210	0.8270

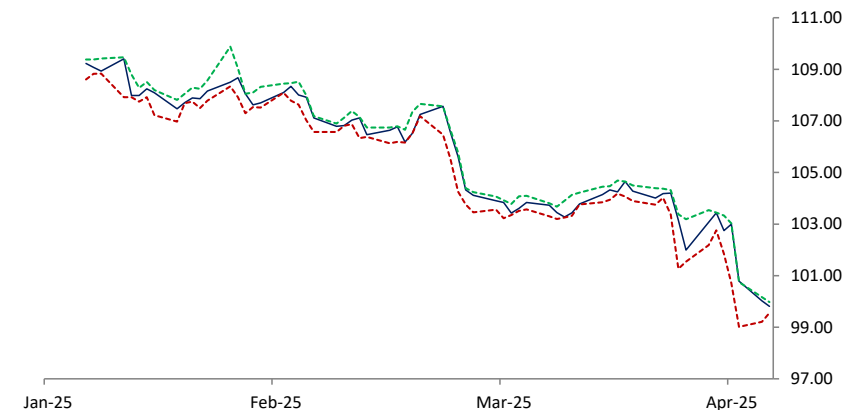
Brief Technical Commentary

Cable has outperformed EURUSD in the last 25 hrs. which is evident in the drop in EURGBP. If the pair can maintain its break above 1.3200 then we can see it test resistance at 1.3260 and 1.3300. Support for the pair is currently at 1.3160 and at the 1.3100 figure. GBPUSD is approaching oversold territory on the daily RSI.

USDJPY is still ranging between the 143.00/142.00 levels. Support for the pair is at 142.50 and a move below the previous lows could see us test support 2 at 142.00. Resistance on the other hand is 143.50 followed by 144.00. We have Japan CPI figures this Friday which may provide the boost needed.

Economic Events	Country	Event	Actual	Forecast	Previous
15-Apr-25	GBP	Claimant Count Change	18.7K	30.3K	44.2K
15-Apr-25	CAD	CPI m/m		0.7%	1.1%
16-Apr-25	CNY	GDP q/y		5.2%	5.4%
16-Apr-25	CNY	Retail Sales y/y		4.2%	4.0%
16-Apr-25	GBP	CPI y/y		2.7%	2.8%
16-Apr-25	USD	Retail Sales m/m		1.4%	0.2%
16-Apr-25	CAD	Overnight Rate		2.75%	2.75%
16-Apr-25	USD	Fed Chair Powell Speaks			
17-Apr-25	EUR	Main Refinancing Rate		2.40%	2.65%
17-Apr-25	USD	Unemployment Claims		225K	223K

U.S. Dollar Index 3-Month Performance



Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1349	9.59	EUR/GBP	0.8604	3.76
GBP/USD	1.3189	5.60	GBP/JPY	188.56	3.72
USD/JPY	142.98	8.58	EUR/JPY	162.32	0.31
USD/CHF	0.8145	9.95	EUR/CHF	0.9244	1.31

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	69.69	0.11	Dow Jones	40,524.79	312.08
Brent	64.82	0.69	Nikkei 225	34,267.54	0.84
West Texas Gold	61.65	0.19	S&P 500	5,405.97	0.79
	3,219.49	0.32	KuwaitSE	7,800.77	0.17

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	4.33	4.32	4.26	4.11	3.89
EUR	2.39	2.30	2.28	2.24	2.17
GBP	4.46	4.41	4.27	4.14	3.96

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.95	3.87	4.03	4.38	4.81
Germany	1.84	1.78	2.08	2.51	2.86
United Kingdom	3.76	3.99	4.12	4.65	5.37
Japan	0.52	0.63	0.88	1.36	2.79

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