

Treasury Daily Newsletter

2-Apr-24

Kuwaiti Dinar Today

0.30755 / 0.30765

Key Market Highlights:

- The U.S. manufacturing industry is showing signs of recovery after a year and a half of decline. Meanwhile, production and new orders are up according to a survey by the Institute for Supply Management (ISM). This is positive news for the overall economy, but there are some concerns. Employment in factories hasn't grown yet, and the cost of raw materials is rising. This could lead to higher prices for manufactured goods in the future, potentially impacting the Federal Reserve's decisions on interest rates. The ISM survey's index rose above 50 for the first time since September 2022, indicating growth after 16 months of contraction. This is a significant improvement, though some experts believe it's too early to say if the decline is truly over.
- PMI figures coming out of China show the fastest expansion of factory activity in 13 months, with the Caixin manufacturing PMI rising to 51.1 from 50.9 previously, while simultaneously beating market expectations of 51.0. The rise in manufacturing activity coincides with better than expected recent retail sales and export data, as the world's second largest economy attempts to recover from a variety of problems including weak demand, property sector slump, and deflation. At the annual meeting of the Chinese parliament, it was announced that the target growth rate for the year was around 5%. Oil prices are approaching a 5 month high, with Brent crude futures last trading \$88 per barrel.

U.S Dollar Index
3-Month Performance


Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0650	1.0690	1.0730	1.0800	1.0870
GBP	1.2450	1.2500	1.2550	1.2675	1.2730
JPY	150.50	151.00	151.70	152.00	152.50
CHF	0.8960	0.9000	0.9060	0.9100	0.9150

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0743	2.74	EUR/GBP	0.8558	1.43
GBP/USD	1.2550	1.34	GBP/JPY	190.33	6.03
USD/JPY	151.6300	7.43	EUR/JPY	162.90	4.53
USD/CHF	0.9041	7.88	EUR/CHF	0.9713	4.93

Brief Technical Commentary

The pair broke the tight range during yesterday's New York session breaking the previous support of 1.0750. As EUR/USD is trading at 1.0730 support levels are at (1.0690-1.0650)

The pair has been trading at (151.00-151.95) for the past week looking for a breakout. The pair is currently trading at 151.30, the first resistance at 152.00.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	93.47	1.44	Dow Jones	39,566.85	0.60
Brent	1.23	6,856.91	Nikkei 225	39,838.91	0.09
West Texas	0.58	14,475.86	S&P 500	5,243.77	0.20
Gold	2,262.50	0.54	KuwaitSE	7,367.97	0.22

Economic Events	Country	Event	Actual	Forecast	Previous
31-Mar-23	CNY	Manufacturing PMI	50.8	50.1	49.1
1-Apr-23	USD	ISM Manufacturing PMI		52.5	52.5
2-Apr-23	EUR	German Prelim CPI m/m		0.4%	0.4%
2-Apr-23	USD	JOLTS Job Openings		8.79M	8.86M
2-Apr-23	USD	FOMC Member Mester Speaks			
3-Apr-23	USD	ADP Non-Farm Employment Change		149K	140K
3-Apr-23	USD	ISM Services PMI		52.7	52.6
4-Apr-23	CHF	CPI m/m		0.3%	0.6%
4-Apr-23	USD	Unemployment Claims		214K	210K
5-Apr-23	USD	Unemployment Rate		3.9%	3.9%

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.75	4.00	4.25	4.50	4.63
USD	5.34	5.32	5.30	5.23	5.03
EUR	3.85	3.86	3.89	3.85	3.67
GBP	5.19	5.20	5.18	5.09	4.89

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	5.01	4.68	4.31	4.31	4.45
Germany	3.40	2.80	2.33	2.33	2.50
United Kingdom	4.48	4.18	3.85	3.99	4.48
Japan	0.04	0.19	0.37	0.74	1.85

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