

Treasury Daily Newsletter

16-Jul-24

Kuwaiti Dinar Today 0.30565 / 0.30575

Key Market Highlights:

- The NY Empire State Manufacturing Index fell to -6.6 in July 2024, slightly below expectations of -6. New orders were stable, shipments increased slightly, and delivery times improved. Inventories decreased, reflecting ongoing challenges, and the labor market remained weak with declining employment. Input prices rose modestly, while selling prices saw minor increases. Despite these conditions, firms remained optimistic about future improvements. Richard Deitz, an economic research advisor at the New York Fed, noted sluggish manufacturing but highlighted positive signs such as steady orders and increased shipments, though weak employment and capital spending plans remain challenges.
- The Chinese economy grew by 4.7% year-on-year in Q2 2024, falling short of the 5.1% forecast and down from 5.3% in Q1. This marks the slowest annual growth since Q1 2023, influenced by a property downturn, weak domestic demand, a declining yuan, and trade tensions with the West. The Third Plenum of the Communist Party, a significant political event, is expected to introduce reforms and support measures. The economy grew by 5.0% in the first half of the year, with the government targeting a 5.0% growth for 2024. In June, economic indicators showed a slowdown, with minimal retail sales growth and a three-month low in industrial output growth, while the urban jobless rate stayed at 5.0% for the third consecutive month. Exports rose more than expected but imports unexpectedly decreased.

Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0785	1.0830	1.0893	1.0950	1.1000
GBP	1.2860	1.2900	1.2963	1.3000	1.3070
JPY	157.70	158.00	158.65	159.20	160.00
CHF	0.8840	0.8900	0.8954	0.9015	0.9070

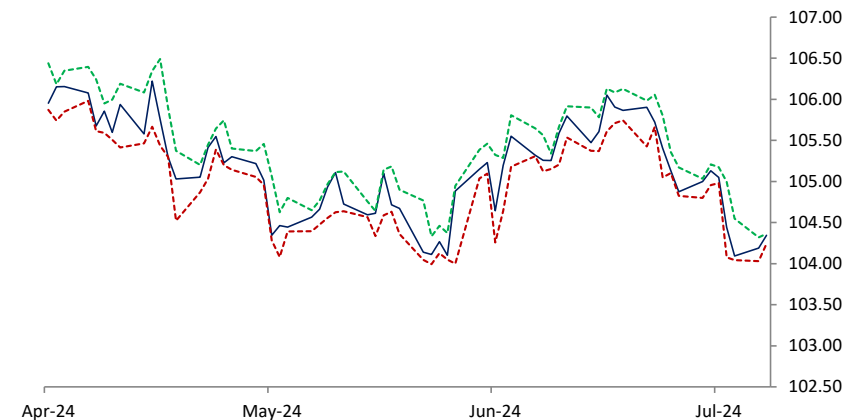
Brief Technical Commentary

EUR/USD: The pair dipped below the figure and is trading at (1.0893). A break above 1.0900 will see EURUSD testing the next resistance at (1.0950) followed by the psychological level (1.1000). On the other hand support is at (1.0830). Currently the pair is trading above the 50,100,200 SMA (on Daily chart).

USD/JPY: The pair continues it's bearish trend and is trading around (158.65). The next support levels are at (158.00 -157.70) and resistance is at (159.20-160.00). Short term outlook remains bearish for the pair.

Economic Events	Country	Event	Actual	Forecast	Previous
15-Jul-24	USD	Fed Chair Powell Speaks			
16-Jul-24	CAD	CPI m/m		0.1%	0.6%
16-Jul-24	USD	Core Retail Sales m/m		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%

US Dollar Index
3-Month Performance



Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0894	1.34	EUR/GBP	0.8401	3.08
GBP/USD	1.2966	1.79	GBP/JPY	204.95	14.61
USD/JPY	158.0100	12.56	EUR/JPY	172.22	11.10
USD/CHF	0.8956	6.38	EUR/CHF	0.9757	4.99

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	88.89	0.37	Dow Jones	40,211.72	0.53
Brent	84.58	0.32	Nikkei 225	41,190.68	2.45
West Texas	81.58	0.40	S&P 500	5,631.22	0.28
Gold	2,430.00	0.33	KuwaitSE	7,117.56	0.12

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.38	4.00	4.31	4.50	4.69
USD	5.34	5.33	5.29	5.15	4.84
EUR	3.61	3.63	3.66	3.66	3.56
GBP	5.20	5.15	5.10	5.00	4.80

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.81	4.44	4.11	4.21	4.43
Germany	3.16	2.80	2.45	2.48	2.65
United Kingdom	4.54	4.03	3.93	4.09	4.60
Japan	0.12	0.31	0.56	1.01	2.15

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