

Treasury Daily Newsletter

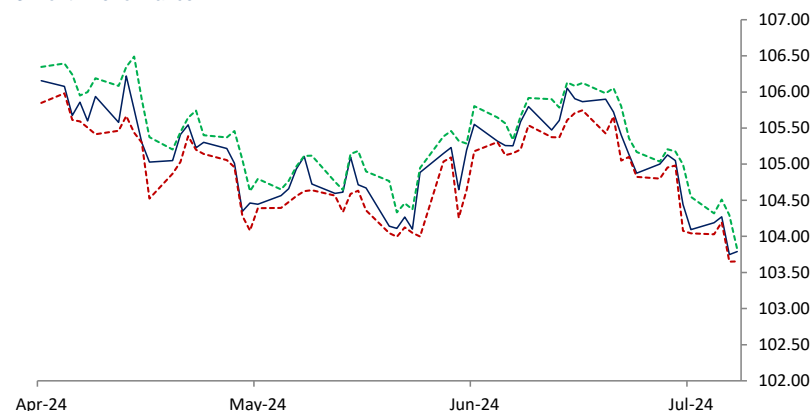
18-Jul-24

Kuwaiti Dinar Today 0.30535 / 0.30545

Key Market Highlights:

- In June 2024, US industrial production increased by 0.6%, surpassing market expectations of a 0.3% rise. Manufacturing output, which constitutes 78% of total production, grew by 0.4%, exceeding the forecasted 0.2% increase. Mining output increased by 0.3%, and utilities output rose by 2.8%. Capacity utilization reached 78.8%, slightly below its long-term average. Over the second quarter, industrial production grew at an annual rate of 4.3%, with manufacturing output rising by 3.4%.
- In June 2024, the annual inflation rate in the UK remained steady at 2%, the same as in May, and at 2021 lows, despite forecasts of 1.9%. The primary upward drivers were restaurant and hotel costs (6.2% vs 5.8%), especially hotel prices, and transport prices (0.9% vs 0.5%), including second-hand cars, transport equipment maintenance and repairs, and air fares. Petrol prices dropped by 3.0 pence per litre to 145.8 pence per litre from May to June but were still higher than June 2023. The largest downward pressure came from clothing and footwear (1.6% vs 3%), mainly garments. Food and non-alcoholic beverage inflation also eased to 1.5%, the lowest since October 2021, with decreases in bread and cereals, meat, and fruit prices. Housing and utilities prices continued to fall (-4.7% vs -4.8%), while inflation remained steady for services (5.7%) and recreation and culture (3.9%).

US Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0865	1.0900	1.0940	1.0965	1.1000
GBP	1.2900	1.2940	1.3000	1.3045	1.3100
JPY	155.35	156.00	156.30	156.80	157.15
CHF	0.8790	0.8820	0.8845	0.8885	0.8915

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0937	0.93	EUR/GBP	0.8407	3.01
GBP/USD	1.3008	2.16	GBP/JPY	203.16	13.24
USD/JPY	156.1600	10.80	EUR/JPY	170.84	9.82
USD/CHF	0.8832	5.07	EUR/CHF	0.9661	4.12

Brief Technical Commentary

EUR/USD: The pair settles above 1.0900 barrier, waiting to continue the bullish trend targeting the 1.100 level. Today's price action may be ranging due to ECB rate decision later today. The pair currently is at 1.0940 support levels at (1.0900-1.0865).

USD/JPY: The pair bounced downwards negatively failing to return to the bullish channel and is looking to achieve more bearish correction on intraday and short term. The pair is currently trading at 156.30 support levels at (156.00-155.35).

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	90.05	1.62	Dow Jones	41,198.08	0.59
Brent	85.45	0.43	Nikkei 225	41,097.69	0.43
West Texas	83.42	0.69	S&P 500	5,588.27	1.39
Gold	2,469.50	0.45	KuwaitSE	7,117.39	0.22

Economic Events	Country	Event	Actual	Forecast	Previous
15-Jul-24	USD	Fed Chair Powell Speaks			
16-Jul-24	CAD	CPI m/m	-0.1%	0.1%	0.6%
16-Jul-24	USD	Core Retail Sales m/m	0.4%	0.1%	-0.1%
17-Jul-24	GBP	CPI y/y	2.0%	1.9%	2.0%
18-Jul-24	AUD	Employment Change	50.2K	20.2K	39.7K
18-Jul-24	AUD	Unemployment Rate	4.1%	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	2.31	4.00	4.25	4.44	4.63
USD	5.35	5.34	5.28	5.13	4.80
EUR	3.59	3.58	3.67	3.63	3.51
GBP	5.20	5.16	5.12	5.02	4.81

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.83	4.45	4.10	4.17	4.39
Germany	3.13	2.76	2.40	2.42	2.59
United Kingdom	4.54	3.98	3.90	4.08	4.56
Japan	0.14	0.33	0.58	1.04	2.15

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