

## Treasury Daily Newsletter

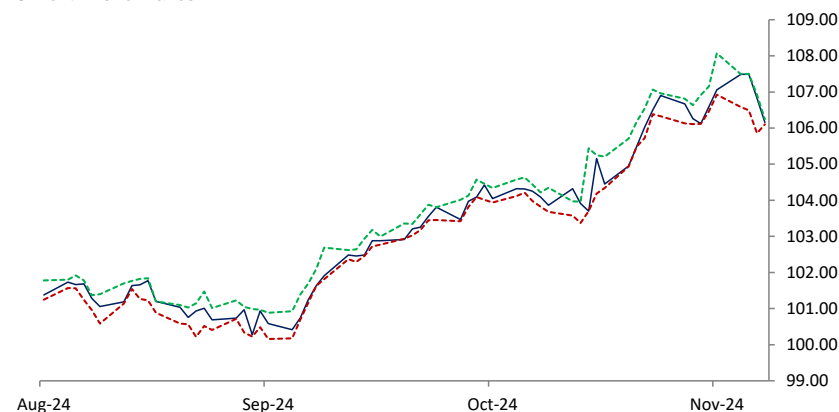
28-Nov-24

Kuwaiti Dinar Today 0.30720 / 0.30730

### Key Market Highlights:

- Inflation in the US ticked up in October, with the personal consumption expenditures (PCE) price index rising 0.2% for the month and 2.3% annually, in line with forecasts but higher than September's 2.1%. Core inflation, excluding food and energy, showed stronger increases of 0.3% monthly and 2.8% annually. Services prices drove most of the inflation, rising 0.4%, while goods fell 0.1%. Food prices were stable, and energy prices dipped 0.1%. The Federal Reserve, which targets 2% inflation, has been combating elevated inflation since March 2021, peaking at 7.2% in mid-2022. Despite progress, inflation remains a challenge for households and a political issue. Traders anticipate a potential rate cut in December, with a 66% chance of a 25 bps reduction.
- New Zealand's central bank cut its cash rate by 50 basis points to 4.25% on Wednesday, marking the third reduction in four months, as inflation neared the bank's target. Reserve Bank of New Zealand (RBNZ) Governor Adrian Orr indicated that further easing is likely. Orr emphasized that even with the latest reduction, monetary policy remains restrictive due to significant spare capacity in the economy. The RBNZ aims to reach a neutral rate—estimated at 2.5% to 3.5%—by the end of 2025. While markets broadly anticipate at least a 25-basis-point cut in February, the central bank's forward guidance suggests more substantial easing may be needed.

### US Dollar Index 3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0450	1.0500	1.0550	1.0600	1.0650
GBP	1.2565	1.2600	1.2660	1.2700	1.2770
JPY	150.45	151.00	151.60	152.20	153.00
CHF	0.8720	0.8770	0.8835	0.8890	0.8940

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0564	4.44	EUR/GBP	0.8332	3.92
GBP/USD	1.2678	0.57	GBP/JPY	191.53	6.81
USD/JPY	151.10	7.40	EUR/JPY	159.65	2.67
USD/CHF	0.8817	4.93	EUR/CHF	0.9316	0.28

### Brief Technical Commentary

The EUR strengthened yesterday after comments from ECB's Schnabel provided a boost to a high of (1.0588), a break above this will test the next resistance is at (1.0600). Support for the pair is at the figure (1.0500). U.S Thanksgiving holiday will likely mean quiet markets today.

USDJPY had a big move yesterday (152.45) to a low of (150.45). The pair is currently trading at (151.60). Resistance is at (152.20) and (153.00). If the pair continues its move to downside then it may will test support at (151.00) followed by the previous low of (150.45). The Yen is now below the 200 day SMA (Daily chart).

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	74.94	0.28	Dow Jones	44,722.06	0.31
Brent	72.91	0.07	Nikkei 225	38,134.97	0.80
West Texas	68.76	0.10	S&P 500	5,998.74	0.38
Gold	2,633.79	0.07	KuwaitSE	7,232.79	0.02

Economic Events	Country	Event	Actual	Forecast	Previous
25-Nov-24	NZD	Retail Sales q/q	-0.1%	-0.5%	-1.2%
26-Nov-24	USD	CB Consumer Confidence	111.7	112.0	108.7
26-Nov-24	USD	FOMC Meeting Minutes			
27-Nov-24	AUD	CPI y/y	2.1%	2.5%	2.1%
27-Nov-24	NZD	Official Cash Rate	4.25%	4.25%	4.75%
27-Nov-24	NZD	Monetary Policy Statement			
27-Nov-24	USD	Core PCE Price Index m/m	0.3%	0.3%	0.3%
28-Nov-24	AUD	RBA Gov Bullock Speaks			
29-Nov-24	JPY	Tokyo Core CPI y/y		2.0%	1.8%
30-Nov-24	CNY	Manufacturing PMI		50.3	50.1

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	3.50	3.69	3.94	4.13	4.31
USD	4.58	4.55	4.50	4.42	4.31
EUR	3.16	3.00	2.90	2.68	2.39
GBP	4.70	4.70	4.66	4.56	4.39

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.32	4.23	4.13	4.26	4.44
Germany	2.28	2.02	2.01	2.16	2.37
United Kingdom	4.52	4.28	4.16	4.28	4.80
Japan	0.46	0.57	0.71	1.05	2.29

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