

Treasury Daily Newsletter

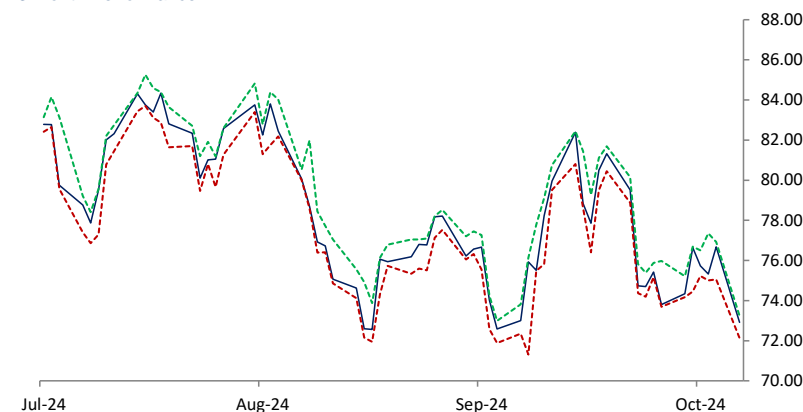
29-Oct-24

Kuwaiti Dinar Today

0.30640 / 0.30650

Key Market Highlights:

- Governor Tiff Macklem explained on Monday the rationale behind the Bank of Canada's recent large interest-rate cut, stating it was appropriate after two years of substantial rate hikes aimed at controlling inflation. Since March 2022, the central bank raised the benchmark rate from 0.25% to 5%, and Macklem noted that making larger cuts now aligns with the aggressive increases made earlier. He added that the bank will gradually "discover" the neutral rate—where borrowing costs neither stimulate nor slow the economy—though it's estimated to be between 2.25% and 3.25%. Anticipating a precise neutral rate is unlikely, given it requires stable economic conditions without shocks, inflation at 2%, and growth at full capacity. Although a sharp economic downturn isn't anticipated, the bank took this significant step to aim for a "soft landing." Markets currently expect the policy rate to fall to around 3% by March 2025, with uncertainty over further cuts afterward.
- Oil prices remained mostly stable on Tuesday after a prior drop, as the U.S. plan to purchase oil for its Strategic Petroleum Reserve helped limit losses, despite ongoing concerns over slowing future demand growth. Brent crude futures rose slightly by 6 cents to \$71.48 per barrel, and U.S. West Texas Intermediate gained 6 cents to \$67.44 per barrel. Both benchmarks fell 6% on Monday, hitting their lowest since October 1, following an attack on Iran that left its oil infrastructure unaffected. With little signs of escalation between Iran and other involved countries currently, investor focus shifted back to concerns over weakening global oil demand for this year and next.

Brent Crude Oil
3-Month Performance


Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.0700	1.0760	1.0807	1.0880	1.0900
GBP	1.2850	1.2900	1.2960	1.3000	1.3040
JPY	152.40	153.05	152.95	153.90	154.60
CHF	0.8580	0.8600	0.8650	0.8725	0.8800

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.0812	2.06	EUR/GBP	0.8334	3.80
GBP/USD	1.2971	1.82	GBP/JPY	198.78	10.40
USD/JPY	153.28	8.40	EUR/JPY	165.73	6.21
USD/CHF	0.8652	2.80	EUR/CHF	0.9354	0.70

Brief Technical Commentary

The EURUSD price fluctuates within tight range since yesterday, setting around 1.0810 level, waiting to motivate price to continue bearish trend.

The USDJPY price found difficulty to surpass 153.65 level, to show some bearish bias, noticing that the 4H EMA50 supports the main bullish trend targeting 154.90.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	72.89	0.27	Dow Jones	42,387.57	0.65
Brent	71.48	0.08	Nikkei 225	38,605.53	1.82
West Texas	67.44	0.09	S&P 500	5,823.52	0.26
Gold	2,756.26	0.52	KuwaitSE	7,097.10	0.13

Economic Events	Country	Event	Actual	Forecast	Previous
29-Oct-24	USD	CB Consumer Confidence		99.2	98.7
29-Oct-24	USD	JOLTS Job Openings		7.92M	8.04M
30-Oct-24	AUD	CPI q/q		0.3%	1.0%
30-Oct-24	AUD	CPI y/y		2.3%	2.7%
30-Oct-24	EUR	German Prelim CPI q/q		0.2%	0.0%
30-Oct-24	USD	ADP Non-Farm Employment Change		101K	143K
30-Oct-24	USD	Advance GDP q/q		3.0%	3.0%
31-Oct-24	CNY	Manufacturing PMI		50.0	49.8
31-Oct-24	JPY	Monetary Policy Statement			
1-Nov-24	USD	Non-Farm Employment Change		111K	254K

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.06	3.69	3.94	4.13	4.31
USD	4.83	4.70	4.59	4.41	4.14
EUR	3.15	3.13	3.06	2.89	2.57
GBP	4.95	4.80	4.69	4.51	4.23

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.26	4.13	4.11	4.27	4.52
Germany	2.33	2.12	2.10	2.28	2.59
United Kingdom	4.41	4.57	4.12	4.25	4.75
Japan	0.31	0.44	0.58	0.97	2.19

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