

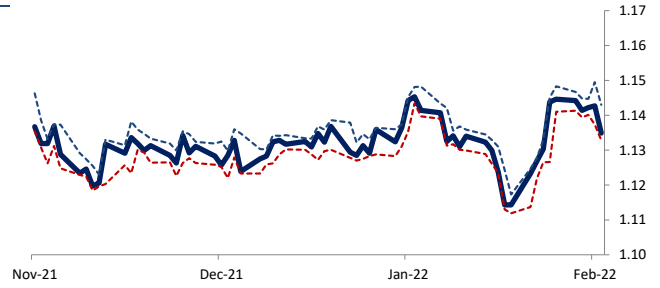
Kuwaiti Dinar Today

0.30240 / 0.30250

Highlights in the Foreign Exchange Market:

- Inflation in the US came in at the fastest annual pace since 1982 with a rise of 7.5% in January on the backdrop of a tight labor market and increasing wages. Loud alarms are ringing for the Fed to act more aggressively. With global worries around sizzling Russian-Ukrainian tensions adding fuel to the fire, equities tanked in the red and bond yields hit the roof. The Dow Jones dropped 1.43%, the S&P 500 dropped 1.90%, and the Nasdaq dropped 2.78%. Meanwhile, the 10-year Treasury yield settled at 1.94% after surpassing 2% and the 2-year yield went up to 1.50%. A 50bps rate hike and six more interest rate hikes throughout the year are back on the table as markets readjusted their expectations.
- The European Commission's economic forecast expects inflation this year to peak at 4.8% in Q1 and decline to 2.1% by Q4 and GDP to expand by 4%. Supply chain bottlenecks, raw material shortages, elevated energy prices, and worker absences pose as headwinds to growth and continue to contribute to the inflation and interest rate short-term outlook. In the UK, GDP quarterly growth came in a little lower than expected at 1.0% versus 1.1%. Despite growth, worsening worries over the economic outlook from some bank officials challenge their hawkish stance and future rate hike path.
- The dollar took the throne as a record inflation measure, aggressive Fed expectations, and boosted bond yields ate into its peers' gains. The euro failed to hit 1.1500 despite support from inflation expectations and rising Bund yields, falling to the 1.1350 range. The pound was unable to sustain support from the GDP figure, settling in the 1.3560 range. The yen redeemed itself to the 115 range after faltering to 116 amid Bank of Japan's attachment to easy monetary policy against an aggressive Fed.
- Renewed tensions between Russia and Ukraine sent ripples through the commodity market as diplomatic efforts from Europe and optimism around US-Iran talks waned. WTI and Brent both rose above \$90 a barrel and traded at \$93.10 a barrel and \$94.44 a barrel respectively. Gold radiated above \$1,850 an ounce reaching \$1,858.76 an ounce amid inflation apprehensions and dusting equities.

EUR/USD
3-Month Performance



Brent Crude
3-Month Performance

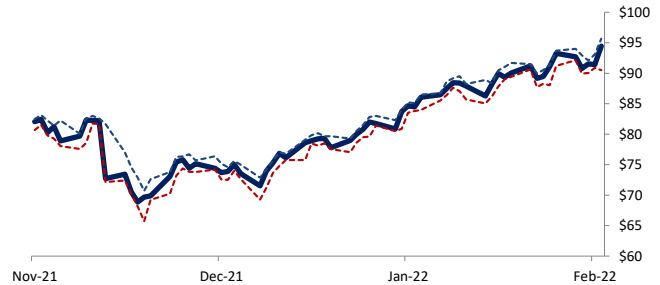


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1145	1.1260	1.1349	1.1450	1.1545
GBP	1.3355	1.3470	1.3560	1.3650	1.3750
JPY	113.50	114.35	115.41	116.35	117.40
CHF	0.9075	0.9145	0.9256	0.9365	0.9470

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.1349	(0.17)
GBP/USD	1.3560	0.23
USD/JPY	115.4100	0.30
USD/CHF	0.9256	1.47

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8369	(0.37)
GBP/JPY	156.51	0.79
EUR/JPY	130.97	0.50
EUR/CHF	1.0502	1.28

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1328 level during Friday's trading session and closed for the week at 1.1349. EUR/USD Resistance levels are at (1.1450-1.1545) any break above would take the pair up to 1.1610. Short term outlook is Bullish.

GBP/USD: The pair moved down to the 1.3512 level during Friday's trading session and closed for the week at 1.3560 GBP/USD Resistance levels are at (1.3650-1.3690) any break above would take the pair up to 1.3750. Short term outlook is Bullish.

Local & Global Rates

CCY	O/N	1-Month	3-Month	6-Month	1-Year
KWD	0.88	1.25	1.50	1.75	2.00
USD	0.05	0.10	0.37	0.66	1.05
EUR	-0.58	-0.56	-0.52	-0.46	-0.30
GBP	0.45	0.46	0.75	1.12	1.53

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Feb-22	USD	CPI m/m	0.6%	0.4%	0.5%
10-Feb-22	USD	Core CPI m/m	0.6%	0.5%	0.6%
11-Feb-22	GBP	Preliminary GDP q/q	1.0%	1.1%	1.1%
11-Feb-22	USD	Preliminary UoM Consumer Sentiment	61.7	67.2	67.2
14-Feb-22	EUR	ECB President Lagarde Speaks			
15-Feb-22	USD	PPI m/m		0.5%	0.2%
15-Feb-22	USD	Core PPI m/m		0.4%	0.5%
16-Feb-22	GBP	CPI y/y		5.4%	5.4%
16-Feb-22	USD	Retail Sales m/m		1.8%	-2.3%
16-Feb-22	USD	FOMC Meeting Minutes			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.01	1.49	1.83	1.92	2.23
Germany	-0.64	-0.35	0.00	0.28	0.47
United Kingdom	1.22	1.40	1.41	1.54	1.61
Japan	-0.09	-0.04	0.01	0.22	0.87

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	93.20	0.47	Dow Jones	34,738.06	(1.43)
Brent	94.44	3.31	Nikkei 225	27,696.08	0.42
West Texas	93.15	3.62	S&P 500	4,418.64	(1.90)
Gold	1,861.16	1.83	KuwaitSE	7,423.61	(0.73)

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