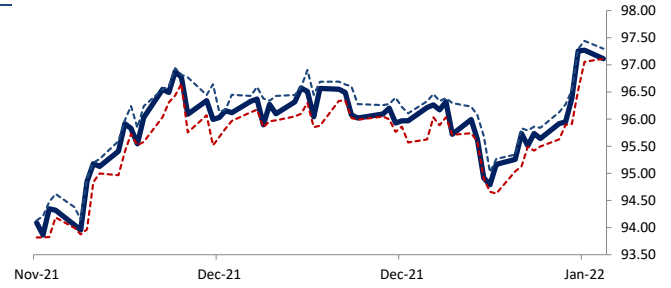
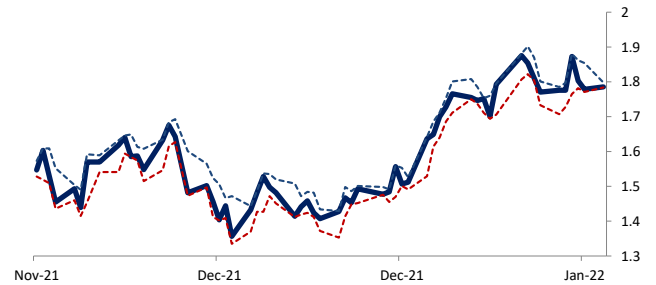


#### Highlights in the Foreign Exchange Market:

- Fast-paced GDP and PCE growth seen in the latest US economic data amplified the urgency for the Fed to act against heating inflation. With an open door for frequency and size of rate hikes starting this March, financial markets are on edge over the potential for excessive tightening. The 10-year Treasury yield continues to hover around 1.78%, while the 2-year yield hovers close to 1.19%. Major indices will open later today after posting modest gains over the weekend thanks to strong corporate earnings.
- Tomorrow, the Reserve Bank of Australia (RBA) is projected to announce an end to their bond-buying program and possible rate hikes in the third quarter as its economy challenges an 8-year high inflation of 3.5%. In Europe, the ECB and BoE are set to meet on Thursday. Additional CPI data from the region out this week will shed more light on economic development as gas prices continue to be the main threat to escalating inflation. No policy change is expected from the ECB while across the channel, markets are betting the BoE will lift rates by 25bps to reach 0.50%, the level it has said it may begin shrinking its bond portfolio at.
- The hawkish Fed has kept the greenback supported against its peers. Meanwhile, the single currency started at a weak note this week at 1.1143, weighed down by geopolitics and ECB dovishness. The cable opened this week at 1.3404, yet to build on more gains if bolstered by a hawkish move from the BoE. The aussie, dipped below its 0.7000 level against the greenback, as investors await the outcome of the RBA meeting tomorrow.



10-Year Treasury Yield  
3-Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1065	1.1115	<b>1.1163</b>	1.1220	1.1270
GBP	1.3310	1.3355	<b>1.3411</b>	1.3465	1.3525
JPY	114.45	115.05	<b>115.45</b>	115.95	116.35
CHF	0.9200	0.9245	<b>0.9307</b>	0.9365	0.9410

#### Major Currencies

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.1143	(1.80)	EUR/GBP	0.8321	(0.99)	
GBP/USD	1.3404	(0.81)	GBP/JPY	154.41	(0.23)	
USD/JPY	115.2400	0.34	EUR/JPY	128.45	(1.08)	
USD/CHF	0.9307	2.04	EUR/CHF	1.0378	0.24	

#### Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1119 level during Friday's trading session and currently trading at 1.1163. EUR/USD Support levels are at (1.1065-1.1115) any break below would take the pair down to 1.0995. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.3361 level during Friday's trading session and currently trading at 1.3411. GBP/USD Support levels are at (1.3310-1.3355) any break below would take the pair down to 1.3260. Short term outlook is Bearish.

#### 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	0.04	0.06	0.17	0.34	0.59
EUR	-0.57	-0.57	-0.55	-0.52	-0.47
GBP	0.20	0.37	0.47	0.65	0.93

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
27-Jan-22	USD	Advance GDP q/q	6.90%	5.30%	2.30%
28-Jan-22	USD	Core PCE Price Index m/m	0.50%	0.50%	0.50%
01-Feb-22	AUD	RBA Rate Statement			
01-Feb-22	USD	ISM Manufacturing PMI		57.4	58.7
02-Feb-22	ALL	OPEC Meetings			
03-Feb-22	GBP	BoE Monetary Policy Report			
03-Feb-22	EUR	ECB Monetary Policy Report			
03-Feb-22	USD	ISM Services PMI		59.00	62.00
04-Feb-22	CAD	Unemployment Rate		6.20%	5.90%
04-Feb-22	USD	Unemployment Rate		3.90%	3.90%

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.72	1.20	1.64	1.79	2.09
Germany	-0.70	-0.62	-0.36	-0.05	0.23
United Kingdom	0.83	0.95	1.06	1.24	1.36
Japan	-0.08	-0.06	-0.02	0.17	0.77

#### Commodities

Index	Last Price	% Change	Global Indices	Index	Last Price	% Change
Kuwait Oil	89.78	(0.55)	Dow Jones	34,725.47	1.65	
Brent	91.10	1.19	Nikkei 225	27,002.34	1.07	
West Texas	87.87	1.14	S&P 500	4,431.85	2.43	
Gold	1,789.28	(0.13)	KuwaitSE	7,337.62	0.15	

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein. For further information or discussion, please contact the Treasury Services Desk on TSD\_LIST@NBK.COM or +965 2221 6603 (FAX +965 2229 1441).