

Highlights in the Foreign Exchange Market:

- The first step in advancing Joe Biden's proposed \$1.9tn economic rescue plan was taken by Democrats in Tuesday in the US congress, as they plan to push it through without Republican support. The plan is to use a budgetary maneuver that could eventually allow the measure to become law bypassing the need for Republican support. The Senate voted along party lines, with Democrats edging over Republicans 50-49, bidding to open debate on a fiscal 2021 budget resolution with coronavirus aid spending instructions. The strategy unlocks a legislative tool needed for Democrats to enact Biden's package in the face of Republican opposition. Debates are expected to last through the week; once the budget resolution is passed Democrats will still have to write a separate detailed COVID relief bill.
- US Treasury Secretary Janet Yellen called for a meeting of key financial regulators this week seeking to discuss market volatility driven by the frenzy in retail trading in Gamestop and other stocks. Yellen will convene heads of the Securities and Exchange Commission, the Federal Reserve Bank of New York, and the Commodity Futures Trading Commission. A Treasury official said the meeting would be called this week and possibly as early as Wednesday.
- US stock futures rose in overnight trading on Tuesday after a strong market rally as the Reddit trading frenzy continued to unwind. Dow futures rose 50 points; S&P 500 futures gained 0.4%, while Nasdaq 100 futures rose 0.5%. Stocks rallied for the second day on Tuesday, with the Dow Jones industrial Average gaining more than 475 points for its best day since November. While the US dollar kept on range with a slight uptick and is now around the 91.08 level.

USD Index- 3 Month Performance



S&P 500 Index- 3 Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1940	1.1990	1.2042	1.2095	1.2145
GBP	1.3560	1.3615	1.3665	1.3715	1.3765
JPY	104.00	104.50	105.01	105.50	106.00
CHF	0.8875	0.8925	0.8977	0.9020	0.9075

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2044	-1.47	EUR/GBP	0.8812	1.38
GBP/USD	1.3668	-0.12	GBP/JPY	143.48	-1.57
USD/JPY	104.98	-1.69	EUR/JPY	126.43	-0.19
USD/CHF	0.8973	-1.46	EUR/CHF	1.08	-0.01

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.2010 level during Tuesday's trading session and currently trading at 1.2042. EUR/USD Resistance levels are at (1.2095-1.2145) any break above would take the pair up to 1.2275. Short term outlook is Neutral.

GBP/USD: The pair moved down to the 1.3609 level during Tuesday's trading session and currently trading at 1.3665. GBP/USD Resistance levels are at (1.3715-1.3765) any break above would take the pair up to 1.3875. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.19	1.44	1.69	2.00
USD	0.08	0.11	0.20	0.22	0.31
EUR	-0.58	-0.58	-0.54	-0.53	-0.51
GBP	0.03	0.03	0.04	0.05	0.09
CHF	-0.83	-0.81	-0.76	-0.72	-0.61
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
28-Jan-21	USD	Unemployment Claims	847K	880K	914K
29-Jan-21	CAD	GDP m/m	0.7%	0.4%	0.4%
1-Feb-21	GBP	Final Manufacturing PMI	54.1	52.9	52.9
1-Feb-21	USD	ISM Manufacturing PMI	58.7	60	60.7
1-Feb-21	AUD	RBA Rate Statement			
2-Feb-21	NZD	Unemployment Rate	4.9%	5.6%	5.3%
4-Feb-21	GBP	BOE Monetary Policy Report			
4-Feb-21	USD	Unemployment Claims		850K	847K
5-Feb-21	USD	Average Hourly Earnings m/m		0.3%	0.8%
5-Feb-21	USD	Unemployment Rate		6.7%	6.7%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	0.11	0.18	0.44	1.10	1.88
Germany	-0.72	-0.75	-0.70	-0.49	-0.04
United Kingdom	-0.10	-0.07	-0.02	0.35	0.92
Japan	-0.13	-0.13	-0.12	0.05	0.66

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	57.55	1.37	Dow Jones	30,687.48	1.57
Brent	57.72	0.45	Nikkei 225	28,646.50	1.00
West Texas	55.00	0.44	S&P 500	3,826.31	1.39
Gold	1,838.51	0.03	KuwaitSE	5,723.10	-0.52

Global Indices

All information has been sourced from Bloomberg

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