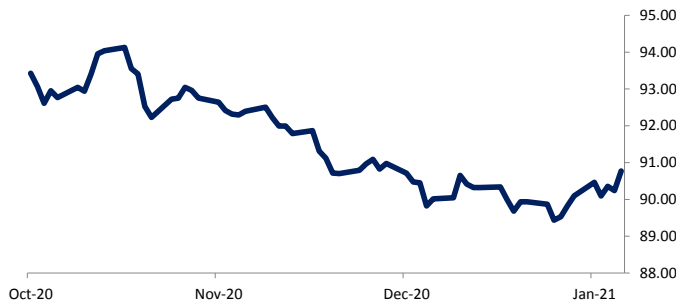


Highlights in the Foreign Exchange Market:

- The economic calendar was extremely light last week, while the dollar's gain on risk aversion and reflation theme was softened after the Fed's bearish tone on monetary policy reached financial markets. The US dollar has been gaining some upward traction as the latest blue wave seen in Congress and in the White House has increased the chances for additional fiscal injection by the government.
- President elect Joe Biden has unveiled his new \$1.9tn economic rescue plan, setting it up as his highest legislative priority as he prepares to enter the Oval Office on Wednesday. If endorsed by Congress, the package will deliver substantial support to the struggling US economy on top of the \$900bn package agreed last month by US lawmakers and \$3tn in relief passed at the start of the pandemic.
- US consumers continued to cut back spending for a third consecutive month in December as renewed measures to slow the spread of COVID-19 intensified. Consumer spending is almost 70% of US GDP, making retail sales a good fundamental indicator. Retail sales fell 0.7% m/m and November's figure was revised lower to -1.4% instead of -1.1% as previously reported.
- Oil prices weakened last week pressured by renewed fears on global oil demand due to surging coronavirus cases in China and Europe. China the world's largest oil importer placed lockdowns on four major cities as new COVID cases rose to more than five months high. On a weekly basis, Brent crude prices fell 2.5% or \$1.4 a barrel.

USD Index
3-Month Performance



Brent Crude
3-Month Performance

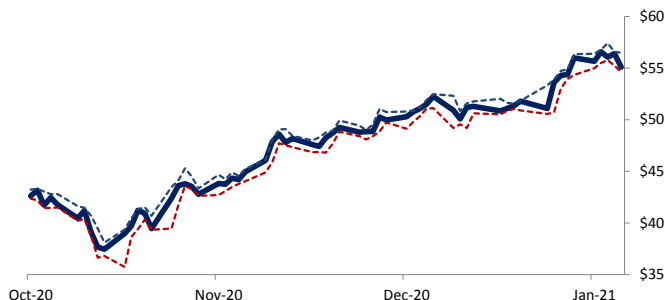


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1880	1.1980	1.2078	1.2180	1.2280
GBP	1.3385	1.3480	1.3586	1.3710	1.3790
JPY	101.80	102.85	103.87	104.90	105.90
CHF	0.8700	0.8805	0.8907	0.9000	0.9105

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2078	(1.1)	EUR/GBP	0.8889	(0.55)
GBP/USD	1.3586	(0.6)	GBP/JPY	141.08	0.43
USD/JPY	103.8700	0.68	EUR/JPY	125.42	(1.18)
USD/CHF	0.8907	0.63	EUR/CHF	1.0758	(0.45)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.2072 level during Friday's trading session and closed for the week at 1.2078. EUR/USD Resistance levels are at (1.2180-1.2280) any break above would take the pair up to 1.2375. Short term outlook is Bullish.

GBP/USD: The pair moved down to the 1.3570 level during Friday's trading session and closed for the week at 1.3586. GBP/USD Resistance levels are at (1.3660-1.3710) any break below would take the pair down to 1.3950. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.94	1.19	1.44	1.69	1.94
USD	0.10	0.13	0.22	0.25	0.32
EUR	-0.58	-0.59	-0.56	-0.54	-0.50
GBP	0.03	0.03	0.03	0.04	0.08
CHF	-0.83	-0.81	-0.77	-0.73	-0.61
AUD	-0.07	-0.10	-0.20	-0.05	-0.12

Economic Events

Date	Country	Event	Actual	Forecast	Previous
15-Jan-21	USD	Core Retail Sales m/m	-1.4%	-0.1%	-0.9%
15-Jan-21	USD	Retail Sales m/m	-0.7%	0.0%	-1.1%
18-Jan-21	CNY	GDP q/y		6.2%	4.9%
20-Jan-21	CAD	BOC Monetary Policy Statement			
21-Jan-21	JPY	BOJ Monetary Policy Statement			
21-Jan-21	EUR	ECB Monetary Policy Statement		0.2%	0.2%
21-Jan-21	USD	Philly Fed Manufacturing Index		12.2	11.1
22-Jan-21	GBP	Retail Sales m/m		0.8%	-3.8%
22-Jan-21	EUR	Flash Manufacturing PMI		54.6	55.2
22-Jan-21	USD	Flash Manufacturing PMI		56.6	57.1

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.09	0.13	0.45	1.09	1.84
Germany	-0.70	-0.73	-0.74	-0.55	-0.14
United Kingdom	-0.15	-0.16	-0.05	0.29	0.86
Japan	-0.15	-0.15	-0.12	0.02	0.63

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	54.30	(0.33)	Dow Jones	31,008.69	(0.29)
Brent	54.52	0.04	Nikkei 225	28,519.18	(0.62)
West Texas	52.22	0.10	S&P 500	3,768.25	(0.72)
Gold	1,826.59	(1.07)	KuwaitSE	5,660.92	0.08

Global Indices

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 (TELEX : 46811 - FAX +965 2241 9720).