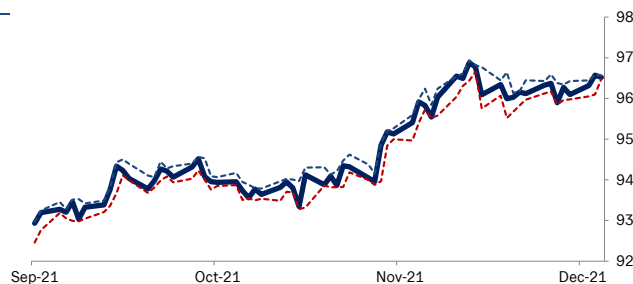


Key Highlights in the Market:

- US producer price index (PPI) topped economists' forecasts as it increased 9.6% from a year earlier and 0.8% from the prior month. The 9.6% annual increase in prices paid is close to a record high. The core PPI, which excludes the volatile food and energy components increased by 0.7% from the prior month and set an annual increase record of 7.7%. The cost of production has rapidly increased due to transportation bottlenecks, robust demand, material costs and labor shortages. The PPI is a forward looking indicator, therefore this annual increase in PPI will likely sustain a pipeline of inflationary pressures well into 2022. On another note, the US Senate has voted to raise the debt ceiling by \$2.5 trillion, an amount that is intended to cover the government's borrowing authority until early 2023.
- On the forex front, the US dollar index has witnessed a slight drop following the release of the PPI figures. The single currency gained slight support, but has stayed relatively unchanged as traders await the ECB meeting tomorrow. The cable has been consolidating ahead of the UK inflation data and it has previously gained support from a potential BOE rate hike amid strong UK employment data. However, the United Kingdom has been hit with a surge in Covid-19 cases and the reintroduction of pandemic restrictions. In the debt market, 10-year treasury yields have risen from 1.42% to 1.44%.

US Dollar Index
3-Month Performance



US 10-Year Treasury Yields
3-Month Performance

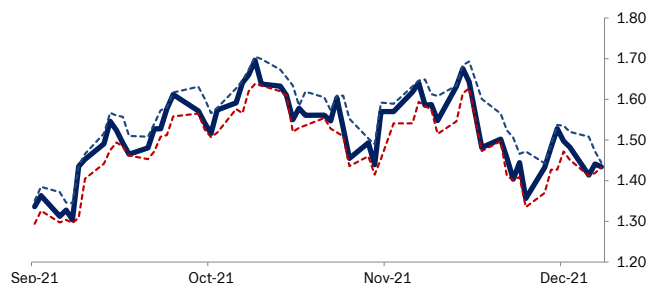


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1185	1.1225	1.1262	1.1300	1.1345
GBP	1.3165	1.3190	1.3237	1.3275	1.3335
JPY	112.55	113.20	113.73	113.95	114.55
CHF	0.9155	0.9185	0.9238	0.9275	0.9315

Major Currencies

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.1257	(7.73)	EUR/GBP	0.8510	(4.79)	
GBP/USD	1.3238	(3.14)	GBP/JPY	150.43	7.20	
USD/JPY	113.7100	10.22	EUR/JPY	128.07	0.97	
USD/CHF	0.9239	4.34	EUR/CHF	1.0402	(3.68)	

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1252 level during Tuesday's trading session and is currently at 1.1262. EUR/USD Resistance levels are at (1.1300-1.1345) any break above would take the pair up to 1.1380. Short term outlook is Neutral.

GBP/USD: The pair moved up to the 1.3256 level during Tuesday's trading session and is currently trading at 1.3237. GBP/USD Resistance levels are at (1.3275-1.3335) any break above would take the pair up to 1.3375 Short term outlook is Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.88	1.25	1.50	1.75	2.00
USD	0.08	0.11	0.20	0.30	0.51
EUR	-0.59	-0.67	-0.61	-0.56	-0.50
GBP	0.06	0.06	0.09	0.27	0.62
CHF	-0.82	-0.81	-0.78	-0.73	-0.58
AUD	0.05	0.16	0.12	0.24	0.56

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Dec-21	USD	CPI m/m	0.8%	0.7%	0.9%
10-Dec-21	USD	Core CPI m/m	0.5%	0.5%	0.6%
14-Dec-21	USD	PPI m/m	0.8%	0.5%	0.6%
14-Dec-21	USD	Core PPI m/m	0.7%	0.4%	0.4%
15-Dec-21	USD	FOMC Meeting			
15-Dec-21	CAD	BOC Gov Macklem Speaks			
16-Dec-21	AUD	RBA Gov Lowe Speaks			
16-Dec-21	AUD	Unemployment Rate		5.0%	5.2%
16-Dec-21	GBP	Monetary Policy Statement			
16-Dec-21	EUR	Monetary Policy Statement			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.20	0.66	1.23	1.43	1.82
Germany	-0.77	-0.69	-0.59	-0.37	-0.07
United Kingdom	0.19	0.42	0.55	0.71	0.87
Japan	-0.13	-0.12	-0.10	0.04	0.66

Commodities

Index	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	73.59	(1.75)	Dow Jones	35,544.18	(0.30)
Brent	72.86	(1.14)	Nikkei 225	28,444.35	0.04
West Texas	69.78	(0.95)	S&P 500	4,634.09	(0.75)
Gold	1,770.16	(0.04)	KuwaitSE	7,026.67	0.19

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).