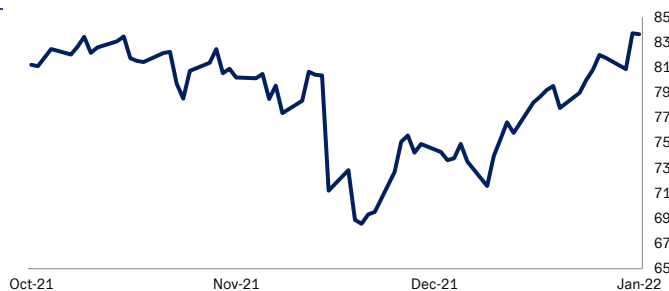


#### Key Market Highlights:

- In the US, Fed Chair Jerome Powell delivered a speech in congressional confirmation hearing. In his remarks, Powell said the Fed is on course to begin raising interest rates from their current historically low levels and winding off the \$8.8 trillion balance sheet. He also emphasized that these steps will be how the Fed moves away from the ultra-expansionary emergency policy that was put in place to fight the pandemic and not a shift to a restrictive stance that is aimed at cooling off an over-heating economy.
- Asian equities started the day with a rebound and followed the footsteps of the US market. Shares in Japan and Hong Kong led the gains with the Nikkei index and Hang Seng index increasing by 1.82% and 2.12% respectively during midmorning trade. In Wall Street, equities closed yesterday's trading session with an upward correction as Fed Chair Jerome Powell reassured investors that the central bank will tackle inflation to extend the economic expansion. The tech heavy Nasdaq led the movement with 1.41% gain and the Dow Jones and S&P closed the day up by 0.51% and 0.92% respectively.
- The dollar faces continuous pressure under steady bond yields and Powell's comments hinting a longer period required to decide on shrinking the \$8.8 trillion balance sheet. The euro went up 0.05% and traded close to the top of the range at 1.1373. The sterling climbed 0.2% trading at 1.3638. The yen has solid support in the 115 zone, which gained 0.06%.
- Despite a strong start to the year, oil prices continue to fluctuate against headwinds from supply interruptions, declining inventory, and OPEC+ producers' attempt to meet quotas. WTI is up 0.07% trading at \$81.28 a barrel while Brent slipped 0.07% trading at \$83.66 a barrel. Dollar pressures kept gold floating, rising 0.03% at \$1,819 an ounce.

Brent Crude  
3-Months Data



USD Index  
3-Months Data



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1265	1.1325	<b>1.1372</b>	1.1430	1.1465
GBP	1.3560	1.3600	<b>1.3637</b>	1.3695	1.3735
JPY	114.25	114.75	<b>115.37</b>	115.85	116.25
CHF	0.9135	0.9180	<b>0.9230</b>	0.9290	0.9330

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1367	0.04	EUR/GBP	0.8337	0.88
GBP/USD	1.3635	0.78	GBP/JPY	157.21	-1.02
USD/JPY	115.30	-0.25	EUR/JPY	131.07	-0.24
USD/CHF	0.9234	-1.13	EUR/CHF	1.05	-1.20

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1374 level during Tuesday's trading session and currently trading at 1.1372. EUR/USD Resistance levels are at (1.1430-1.1465) any break above would take the pair up to 1.1595. Short term outlook is Neutral.

GBP/USD: The pair moved up to the 1.3636 level during Tuesday's trading session and currently trading at 1.3637. GBP/USD Resistance levels are at (1.3695-1.3735) any break above would take the pair up to 1.3830. Short term outlook is Bullish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.25	1.50	1.75	2.00
USD	0.08	0.10	0.24	0.38	0.68
EUR	-0.59	-0.62	-0.58	-0.56	-0.49
GBP	0.18	0.27	0.50	0.83	0.81
CHF	-0.80	-0.78	-0.75	-0.70	-0.55
AUD	2.78	2.87	2.96	3.06	3.34

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
7-Jan-22	USD	Non-Farm Employment Change	199K	426K	210K
7-Jan-22	USD	Unemployment Rate	3.9%	4.1%	4.2%
7-Jan-22	USD	Average Hourly Earnings m/m	0.6%	0.4%	0.4%
11-Jan-22	USD	Fed Chair Powell Testifies			
12-Jan-22	USD	CPI m/m		0.4%	0.8%
12-Jan-22	USD	Core CPI m/m		0.5%	0.5%
13-Jan-22	USD	PPI m/m		0.4%	0.8%
14-Jan-22	EUR	ECB President Lagarde Speaks			
14-Jan-22	USD	Core Retail Sales m/m		0.2%	0.3%
14-Jan-22	USD	Retail Sales m/m		0.0%	0.3%

#### Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	0.89	1.21	1.50	1.73	2.07
Germany	-0.73	-0.56	-0.36	-0.03	0.29
United Kingdom	0.82	0.91	0.99	1.17	1.26
Japan	-0.09	-0.09	-0.05	0.13	0.71

#### Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	83.07	-0.26	Dow Jones	36,252.02	0.51
Brent	83.62	-0.12	Nikkei 225	28,736.10	1.82
West Texas	81.25	0.04	S&P 500	4,713.07	0.92
Gold	1,818.84	-0.15	KuwaitSE	7,258.47	0.95

#### Global Indices

All information has been sourced from Bloomberg.

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