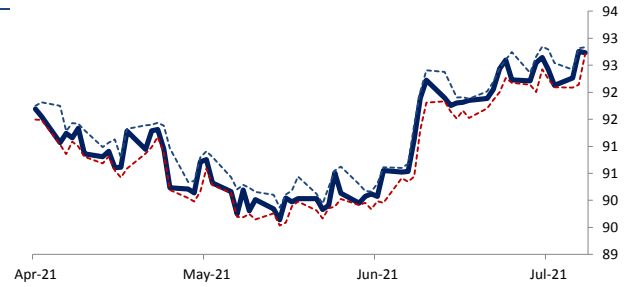


Highlights in the Foreign Exchange Market:

- The June CPI report showed inflation topping all forecasts and pointed to higher costs associated with the reopening from the pandemic. The report indicated that prices are rising at their fastest pace since 2008 and challenges the Fed's statement that price pressures would be transitory. Yesterday's report showed that inflation was at 5.4% from last year, beating expectations and the previous figure of 5% reported in May. Meanwhile, such inflation figures are exaggerated due to low base effects from the previous year.
- Additionally, most of the increase in prices are amongst sectors that were most impacted by the pandemic like travel-related expenses and a semiconductor shortage. This spike in inflation will have traders scrutinizing Fed Chair Powell's testimony to Congress later today. The main concern is whether such figures are influencing enough to have a quicker-than-expected reduction in stimulus. Also, it begs the question of where inflation will settle once life normalizes, whether it is north or south of 2%. Markets reacted to the figure with long-term treasury yields dropping and the dollar rising against all of its major counterparts. The strengthened dollar sent the euro below the 1.18 mark.
- The US dollar trimmed some of its earlier gains and is currently at 92.718, at the time of writing. Additionally, ECB officials will decide today whether to push for a digital euro into the exploratory phase. Furthermore, the Reserve Bank of New Zealand announced the halt of quantitative easing this month and such a hawkish shift has boosted the NZD (kiwi).
- Shifting to commodities, US oil demand has soared to the highest seasonal level going back to three decades, amid a pick-up in economic growth in line with the re-opening of economies. Simultaneously, the global crude supply reflects an extremely tight market as OPEC+ fail to agree on output and a fall in crude inventories in the US. West Texas Intermediate and Brent reflected a modest drop of 0.19% and 0.13%, respectively.

US Dollar Index
3-Month Performance



Brent Crude
3-Month Performance

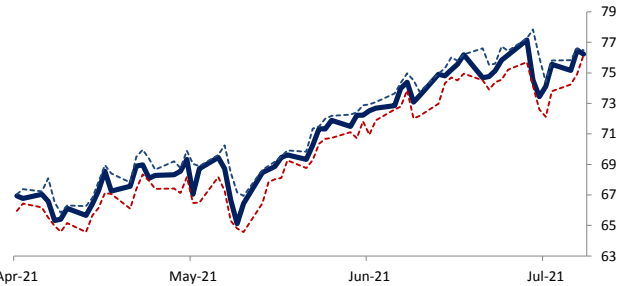


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1680	1.1730	1.1781	1.1830	1.1880
GBP	1.3715	1.3765	1.3817	1.3865	1.3920
JPY	109.50	110.00	110.49	111.00	111.50
CHF	0.9080	0.9130	0.9184	0.9235	0.9285

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1774	-3.46	EUR/GBP	0.8526	-4.70
GBP/USD	1.3808	1.25	GBP/JPY	152.82	8.86
USD/JPY	110.6100	7.07	EUR/JPY	130.28	2.63
USD/CHF	0.9184	3.72	EUR/CHF	1.0818	0.16

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved Down to the 1.1770 level during Tuesday's trading session and currently trading at 1.1781. EUR/USD Support levels are at (1.1680-1.1730) any break below would take the pair down to 1.1600. Short term outlook is slightly Bearish.

GBP/USD: The pair moved down to the 1.3798 level during Tuesday's trading session and currently trading at 1.3817. GBP/USD Support levels are at (1.3715-1.3765) any break below would take the pair down to 1.3660 Short term outlook is slightly Bearish.

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	0.09	0.10	0.13	0.15	0.24
EUR	-0.58	-0.57	-0.55	-0.53	-0.49
GBP	0.04	0.05	0.08	0.10	0.17
CHF	-0.83	-0.80	-0.76	-0.71	-0.59
AUD	-0.15	-0.04	-0.25	0.01	-0.10

Economic Events

Date	Country	Event	Actual	Forecast	Previous
9-Jul-21	CAD	Employment Change	230.7K	172.5K	-68.0K
9-Jul-21	CAD	Unemployment Rate	7.8%	7.8%	8.2%
13-Jul-21	USD	CPI m/m	0.9%	0.5%	0.6%
14-Jul-21	GBP	CPI y/y		2.2%	2.1%
14-Jul-21	USD	PPI m/m		0.6%	0.8%
14-Jul-21	CAD	BOC Monetary Policy Report			
14-Jul-21	USD	Fed Chair Powell Testifies			
15-Jul-21	AUD	Unemployment Rate		5.0%	5.1%
16-Jul-21	USD	Retail Sales m/m		-0.5%	-1.3%
9-Jul-21	JPY	BOJ Outlook Report			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.07	0.25	0.84	1.40	2.03
Germany	-0.69	-0.67	-0.59	-0.28	0.22
United Kingdom	0.07	0.11	0.32	0.67	1.16
Japan	-0.13	-0.13	-0.13	0.01	0.66

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	76.34	1.26	Dow Jones	34,888.79	(0.31)
Brent	76.39	(0.13)	Nikkei 225	28,635.59	(0.29)
West Texas	75.11	(0.19)	S&P 500	4,369.21	(0.38)
Gold	1,812.80	0.28	KuwaitSE	6,369.04	0.18

Global Indices

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