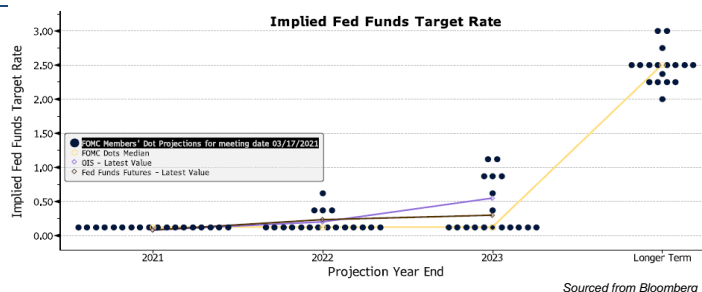


Highlights in the Foreign Exchange Market:

- In its meeting yesterday, the US Federal Reserve continued to project near-zero interest rates at least through 2023, maintaining its dovish stance even as it significantly upgraded growth forecasts. Estimates are now for 6.5% growth for this year, up from the 4.2% predicted in December. And in regards to the labor market, unemployment is expected to fall to 4.5% by the end of the year instead of 5%. Looking at inflation, the Fed's preferred measure is projected to rise to 2.2%, above the bank's target, compared with a smaller rise of 1.8% predicted in December. While the Fed acknowledges a surge in inflation is likely, the central bank feels it will be short-lived and not a cause for concern. Predictions are for PCE inflation to fall back to 2% in 2022 and 2.1% in 2023, even as unemployment is anticipated to drop further.
- The greenback declined as its peers recovered, with the euro and sterling gaining 0.62% and 0.54% respectively yesterday. On Wall Street, the S&P 500 gained 0.62% and reached a new record high of 3,983.
- In Japan, the BOJ is expected to slightly widen an implicit band at which it allows long-term interest rates to move around its 0% target, the Nikkei newspaper reported yesterday. Currently, the BOJ allows 10-year bond yields to rise and fall 0.2% each around its 0% target. It will widen that band and tolerate rises and falls of 0.25% each. By allowing yields to fluctuate more, the BOJ will help ease the strain ultra-low interest rates and a flattening yield curve inflict on financial institutions' profits, the paper said. The move will be among steps the BOJ will unveil on Friday to make its massive stimulus program sustainable, as the COVID-19 pandemic is seen prolonging the move towards the 2% inflation target.



EUR/USD
3-Month Performance

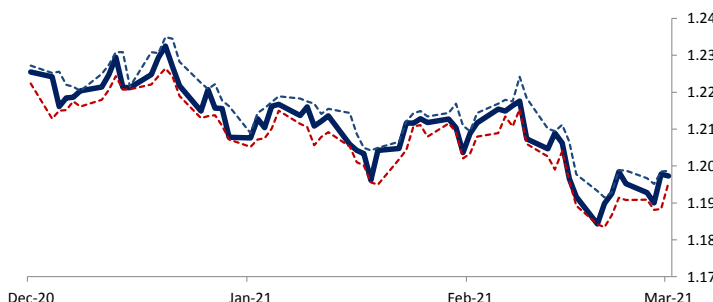


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1855	1.1905	1.1958	1.2010	1.2055
GBP	1.3845	1.3895	1.3946	1.3995	1.4045
JPY	107.90	108.40	108.95	109.45	109.90
CHF	0.9140	0.9190	0.9240	0.9295	0.9345

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1978	(1.94)	EUR/GBP	0.8576	(4.17)
GBP/USD	1.3963	2.27	GBP/JPY	152.00	3.35
USD/JPY	108.8300	5.50	EUR/JPY	130.36	2.71
USD/CHF	0.9224	4.23	EUR/CHF	1.1049	2.25

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1987 level during Wednesday's trading session and currently trading at 1.1958. EUR/USD Resistance levels are at (1.2010-1.2055) any break above would take the pair up to 1.2095. Short term outlook is Neutral.

GBP/USD: The pair moved up to the 1.3970 level during Wednesday's trading session and currently trading at 1.3946. GBP/USD Resistance levels are at (1.3995-1.4045) any break above would take the pair up to 1.4145. 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	1.69	1.94
USD	0.09	0.11	0.19	0.20	0.28
EUR	-0.58	-0.58	-0.55	-0.52	-0.49
GBP	0.04	0.05	0.08	0.10	0.16
CHF	-0.83	-0.80	-0.76	-0.71	-0.59
AUD	-0.07	-0.06	-0.04	0.01	-0.02

Economic Events

Date	Country	Event	Actual	Forecast	Previous
11-Mar-21	EUR	Main Refinancing Rate	0.00%	0.00%	0.00%
12-Mar-21	CAD	Employment Change	259.2K	98.5K	-212.8K
16-Mar-21	AUD	RBA Gov Lowe Speaks			
16-Mar-21	USD	Retail Sales m/m	-3.00%	-0.5%	5.3%
16-Mar-21	USD	Core Retail Sales m/m	-2.7%	0.2%	5.9%
17-Mar-21	CAD	CPI m/m	0.5%	0.7%	0.6%
17-Mar-21	USD	Cure Oil Inventories	2.4M	2.8M	13.8M
17-Mar-21	USD	FOMC Statement			
17-Mar-21	USD	Federal Funds Rate	<0.25%	<0.25%	<0.25%
18-Mar-21	GBP	Official Bank Rate		0.10%	0.10%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.06	0.13	0.81	1.67	2.45
Germany	-0.65	-0.70	-0.63	-0.29	0.25
United Kingdom	-0.02	0.10	0.38	0.83	1.36
Japan	-0.14	-0.15	-0.10	0.10	0.66

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	66.04	0.32	Dow Jones	33,015.37	0.58
Brent	67.83	0.03	Nikkei 225	30,222.73	1.03
West Texas	64.51	0.11	S&P 500	3,974.12	0.29
Gold	1,750.75	0.41	KuwaitSE	5,798.84	0.02

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 (FAX +965 2229 1441).