

Foreign Exchange Development

The Japanese yen gave up some of the safe-haven driven gains on Tuesday as investors grappled with the potential implications of a Chinese startup's free open-source artificial intelligence model, while fresh tariff threats had the euro on the back foot.

The dollar was up 0.7% against the yen at 155.70, putting the currency pair back within its recent trading range after the yen strengthened to its strongest level since mid-December at 153.715 on Monday amid the safe-haven bids.

The dollar, which measures the U.S. currency against six rivals the yen and the euro, rose 0.13% to 107.94.

Sterling last traded at \$1.2441, down 0.4% on the day.

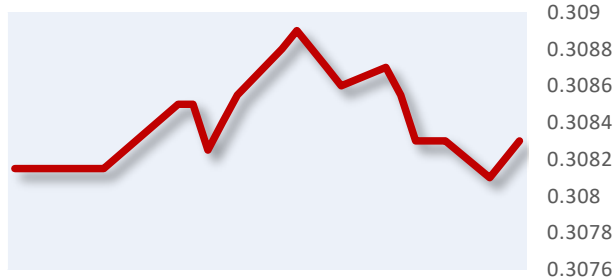
Oil prices ticked up but hovered near a two-week low on Tuesday after weak economic data from China and warming weather forecasts elsewhere soured the demand outlook.

Gold held steady on Tuesday as investors focused on the U.S. Federal Reserve's policy meeting to see if President Donald Trump's policies have an impact on the central bank's views.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.0440	0.81	-3.47	0.81
GBP/USD	1.2452	-0.54	-4.06	-0.54
USD/CHF	0.9055	-0.29	4.55	-0.29
USD/JPY	155.73	-0.73	1.57	-0.73
AUD/USD	0.6253	1.05	-5.03	1.05
USD/CAD	1.4402	0.10	3.64	0.10
USD INDEX	107.89	-0.55	3.43	-0.55
Gold	Silver	KWT OSP	Brent	
2743.19	30.15	83.76	77.11	

USD/KWD - 1 Month



Economic Updates

The Fed is expected to keep interest rates on hold this week even as the ECB is likely to cut, arguing that inflation is coming down only slowly and that some policy proposals of the Trump administration could actually increase price pressures, likely drawing criticism from the White House.

A leading indicator of Japan's service-sector inflation hit 2.9% in December as prices rose for a broad range of services such as accommodation and transportation, data showed, keeping alive expectations of further interest rate hikes by the central bank.

Most stock markets in the Gulf ended lower on Monday due to uncertainty surrounding U.S. trade policy, although the Qatari index bucked the trend. Investors in the region are increasingly cautious due to the unpredictable nature of U.S. trade decisions, which have the potential to significantly impact global markets.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	44,713.58	65.00	5.10	5.10
FTSE 100	8,503.71	1.36	4.05	4.05
KUWAIT ALL	7,830.81	53.84	6.36	6.36
Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	4.31300	4.29387	4.24623	4.17975
EURIBOR	2.7350	2.6410	2.5810	2.4990
KIBOR	3.6875	3.9375	4.1875	4.3750
Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	4.100	4.262	4.354	4.551
Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	4.125	4.250	4.375
KONIA	2.080			
SOFR	4.340			
Country	KWT	US	EURO	UK
INT. RATES	4.000	4.500	3.00	4.750

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
29Jan	Canada	BoC Rate Decision	3.25	3.05
29Jan	United States	Fed Funds Tgt Rate	4.25-4.5	4.4
30Jan	Euro Zone	Consumer Confid. Final	-14.20	-14.2
30Jan	Euro Zone	GDP Flash Prelim YY	0.90	1.04
30Jan	Euro Zone	ECB Deposit Rate	3	3
30Jan	Euro Zone	Unemployment Rate	6.30	6.32
30Jan	United States	Initial Jobless Clm	223000.00	220700.00

Source: Reuters and Bloomberg

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