

Highlights in the Foreign Exchange Market:

- Global markets were clouded in uncertainty last week as US government bonds yields inverted for the first time in ten years and trade war tensions reemerged. US stocks experienced their biggest weekly drop since March, driven by concerns over the durability of the trade truce between the US and China. Last week, Huawei's global chief financial officer was arrested in Canada for allegedly violating US sanctions, jeopardizing the resolution in the recent meeting between the US and Chinese president. The S&P 500 fell 4.6% over the four-week session, with technology stocks leading as the worst-performing sector on Friday.
- The US's latest labor data release supported market's bearishness on the US economy where job growth slowed in November and monthly wages increased less than expected. The data suggests some moderation in economic activity that could support expectations of fewer interest rate increases from the Federal Reserve in 2019. Nonfarm payrolls increased by 155,000 jobs last month down from 237,000 and average hourly earnings rose 0.2% in November after gaining 0.1% in October. However, growth remains strong for the year as nonfarm payrolls have averaged just above 200,000 per month.
- Prime Minister Theresa May said last week that the parliament's vote on her Brexit deal will go ahead on December 11 despite suggestions from lawmakers to delay that vote to avoid a game-changing defeat. The outcome is uncertain, particularly if May suffers defeat. Some speculate it could lead to a change of prime minister, an attempt to revise the Brexit deal, the complete collapse of government, or even a second vote on whether Britain should leave Europe at all. May has been trying to win over critics of an agreement that would keep close economic ties with the European Union when Britain leaves in March, but her warnings that it's her deal, no deal or no Brexit have fallen flat so far. Some lawmakers have called on May to change the deal, and have suggested she could use an EU summit next week to try to win some concessions from officials to try to ease some of their concerns. However, EU negotiator Michel Barnier said on Thursday that the deal was the best Britain will get. Theresa May's proposal now needs the backing of more than half of the 639 MPs that vote in Parliament to pass.

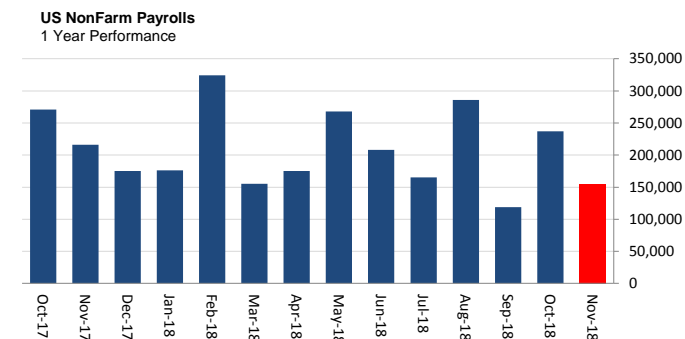


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1175	1.1275	1.1376	1.1480	1.1575
GBP	1.2525	1.2625	1.2726	1.2830	1.2925
JPY	110.65	111.70	112.72	113.75	114.80
CHF	0.9705	0.9805	0.9903	1.0010	1.0105

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1376	(5.17)	EUR/GBP	0.8948	0.73
GBP/USD	1.2726	(5.82)	GBP/JPY	143.47	(5.68)
USD/JPY	112.72	0.04	EUR/JPY	128.39	(5.02)
USD/CHF	0.9903	1.64	EUR/CHF	1.1279	(3.51)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1423 level during Friday's trading session and closed for the week at 1.1376. EUR/USD Support is at (1.1115-1.1175) any break below would take the pair to 1.1070. Short term outlook is neutral. However, if the pair breaks the low of the year 1.1213 level it will turn bearish.

USD/JPY: The pair moved down to the 112.53 level during Friday's trading session and closed for the week at 112.72. USD/JPY Resistance is at (114.80-115.50) any break above would take the pair to 116.50. Short term and medium term outlook are neutral. However, if the pair breaks the high of the year 114.54 level it will turn bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.31	1.81	2.06	2.38	2.63
USD	2.21	2.40	2.77	2.89	3.10
EUR	-0.44	-0.41	-0.35	-0.33	-0.22
GBP	0.71	0.74	0.91	1.03	1.16
CHF	-0.79	-0.84	-0.74	-0.66	-0.53
AUD	1.45	2.43	2.18	2.21	2.25

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Dec-18	GBP	GBP m/m		0.1%	0.0%
10-Dec-18	GBP	Manufacturing Production m/m		0.0%	0.2%
11-Dec-18	GBP	Average Earnings Index 3m/y		3.0%	3.0%
11-Dec-18	USD	PPI m/m		0.0%	0.6%
11-Dec-18	GBP	Parliament Brexit Vote			
12-Dec-18	USD	CPI m/m		0.0%	0.3%
12-Dec-18	USD	Core CPI m/m		0.2%	0.2%
13-Dec-18	CHF	SNB Monetary Policy Assessment			
13-Dec-18	CHF	SNB Press Conference			
13-Dec-18	EUR	ECB Press Conference			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.67	2.72	2.70	2.86	3.15
Germany	-0.68	-0.64	-0.31	0.24	0.88
United Kingdom	0.74	0.73	0.87	1.26	1.82
Japan	-0.18	-0.15	-0.13	0.05	0.80

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	59.61	1.05	Dow Jones	24,388.95	(2.24)
Brent	61.73	(0.03)	Nikkei 225	21,678.68	0.82
West Texas	52.71	(0.19)	S&P 500	2,633.08	(2.33)
Gold	1,247.76	0.82	KuwaitSE	5,186.90	(0.90)

All information has been sourced from Reuters.

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