

Highlights in the Foreign Exchange Market:

- Asian stocks traded lower today after Trump's administration rhetoric on trade sent the dollar to three year lows. Nikkei index was down 1.13% to reach 23671.91 during midmorning trade. On Wall Street, equities were mixed as Dow Jones closed higher by 0.16% while the S&P 500 edged lower by 0.06%.
- Home prices in the United States rose as the supply of houses on the market hit a record low. This resulted in a decline of home sales, which came after three straight months of strong increases. The number of previously owned homes on the market tumbled 11.4% in December, reaching the lowest level since 1999. Moving forward, analysts expect little growth in home sales in 2018 due to limited inventories and rising mortgage rates.
- UK labor market flourished as data released yesterday showed that unemployment rate was unchanged at 4.3% for the fifth consecutive month. The figure matched the 42-year-low first hit last July. The regular wage growth was at 2.4% 3m/yr and total pay growth rose 2.5% for the same period.
- The private sector in Europe is continuing to grow vigorously in January as indicated by the PMI publicized yesterday. The PMI index came at 58.6 up from 58.1 in December giving it a 12 year high. The thrust this month came from the services PMI which came at 57.6 a surge over the 56.6 of the past month. The manufacturing PMI came at 59.6, even though it was lower than past month's 60.6, it still indicates one of the best growth performances of the production sector in Europe for more than twelve years.

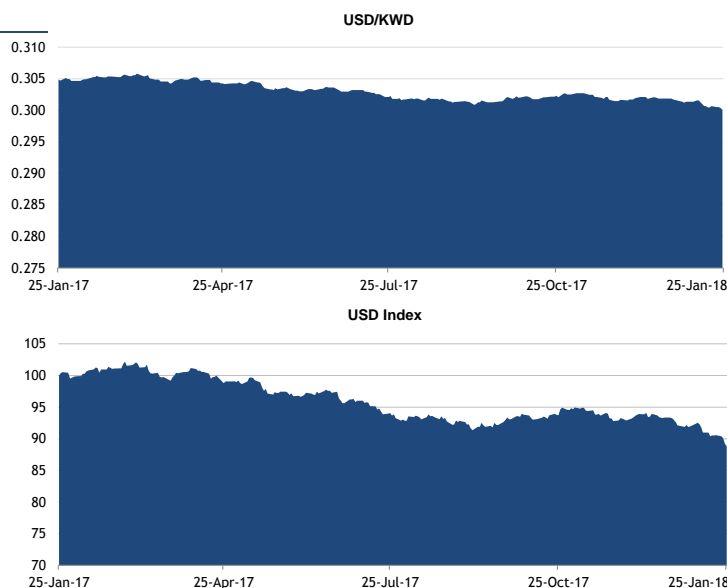


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2330	1.2380	1.2433	1.2485	1.2535
GBP	1.2190	1.4240	1.4289	1.4340	1.4390
JPY	108.00	108.50	109.00	109.50	110.00
CHF	0.9330	0.9380	0.9434	0.9485	0.9535

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2406	3.78	EUR/GBP	0.8710	(2.13)
GBP/USD	1.4241	5.96	GBP/JPY	155.50	2.38
USD/JPY	109.21	(3.46)	EUR/JPY	135.50	0.17
USD/CHF	0.9451	(3.47)	EUR/CHF	1.1728	0.16

Major Crosses

Brief Technical Commentary

The EUR/USD pair moved up to the 1.2415 level during Wednesday's trading session and currently trading at 1.2433. EUR Resistance is at (1.2515-1.2535) any break above targets 1.2595. The pair is currently Bullish.

The USD/JPY pair moved down to the 108.95 level during Wednesday's trading session and currently trading at 109.00. USD/JPY Support is at (108.00-108.20) any break below targets 107.30. The pair is currently Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.44	1.69	1.94	2.13	2.38
USD	1.47	1.56	1.75	1.94	2.23
EUR	-0.42	-0.40	-0.38	-0.33	-0.26
GBP	0.49	0.49	0.53	0.58	0.79
CHF	-0.81	-0.80	-0.74	-0.64	-0.53
AUD	1.85	1.82	1.93	1.98	2.00

Economic Events

Date	Country	Event	Actual	Forecast	Previous
23-Jan-18	JPY	BoJ Monetary Policy Statement			
23-Jan-18	EUR	German ZEW Economic Sentimen	20.4	17.8	17.4
24-Jan-18	EUR	Flash Manufacturing PMI	59.6	60.4	60.6
24-Jan-18	EUR	Flash Services PMI	57.6	56.5	56.6
24-Jan-18	ALL	World Economic Forum			
24-Jan-18	GBP	Average Hourly Earnings	2.5%	2.5%	2.5%
25-Jan-18	EUR	ECB Monetary Policy Statement			
26-Jan-18	GBP	Preliminary GDP q/q		0.4%	0.4%
26-Jan-18	USD	Advance GDP q/q		2.3%	2.1%
26-Jan-18	USD	Durable Goods Orders		06%	-0.1%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.76	2.07	2.42	2.64	2.92
Germany	-0.67	-0.60	-0.13	0.58	1.31
United Kingdom	0.40	0.58	0.91	1.40	1.88
Japan	-0.14	-0.14	-0.08	0.08	0.82

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	67.83	1.60	Dow Jones	26,252.12	41.31
Brent	70.10	(0.03)	Nikkei 225	23,682.58	(258.19)
West Texas	65.66	(0.08)	S&P 500	2,837.54	(1.59)
Gold	1,365.90	0.57	KuwaitSE	6,631.00	0.87

Global Indices

All information has been sourced from Reuters

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 (TELEX : 46811 - FAX +965 2241 9720).