

Highlights in the Foreign Exchange Market:

- Financial markets are back in risk taking mode after the US and China recently decided on a tariffs cease fire. As such, the US dollar lost its safe haven demand and was trading lower against most currencies. The dollar index depreciated by nearly 0.2% in yesterday's session. On the other hand, the two best performers were the Australian dollar and the Chinese Yuan rising by 0.70% and 1.13% respectively versus the greenback. Equities around the globe also praised the retreating trade tensions as they traded in the green zone.
- Looking at the Sterling pound, the GBP couldn't take advantage of the dollar's weakness and lost 0.4% of its value on Monday as markets' brace for a key Brexit vote in parliament on December the 11th. Despite better than expected manufacturing data out of the UK, the currency continues to find its trajectory from politics rather than fundamental economics. Hence, we may witness a volatile period for the GBP until the voting date especially with PM May facing a lot of opposition in the parliament as she tries to attain enough votes for a smooth Brexit outcome.
- In the commodities complex, oil prices soared on Monday thanks to Russia's tone indicating that it would continue to collaborate with Saudi Arabia on managing output. Furthermore, the diminishing tensions between the two largest economies also played a positive role in driving oil prices higher. Both WTI and Brent Crude gained around 4% in yesterday's session. OPEC members are expected to meet on Thursday to decide if any output productions are necessary and the latest optimistic comments from the Russian President elevates the likelihood of an output cut.

GBP/USD
2-Month Performance



Brent Crude
6-Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1265	1.1320	1.1376	1.1425	1.1475
GBP	1.2650	1.2700	1.2749	1.2805	1.2855
JPY	112.15	112.65	113.14	113.65	114.20
CHF	0.9855	0.9905	0.9958	1.0010	1.0065

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1352	(5.21)	EUR/GBP	0.8921	0.47
GBP/USD	1.2722	(5.74)	GBP/JPY	144.60	(5.27)
USD/JPY	113.65	0.41	EUR/JPY	129.03	(4.84)
USD/CHF	0.9976	2.28	EUR/CHF	1.1328	(3.07)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1380 level during Monday's trading session and currently trading at 1.1376. EUR/USD Support is at (1.1215-1.1265) 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 up to the 113.85 level during Monday's trading session and currently trading at 113.14. USD/JPY Resistance is at (114.20-114.55) any break above would take the pair to 115.50. 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	1.38	1.88	2.13	2.38	2.63
USD	2.22	2.38	2.75	2.90	3.14
EUR	-0.44	-0.41	-0.35	-0.33	-0.22
GBP	0.71	0.74	0.90	1.01	1.15
CHF	-0.80	-0.83	-0.74	-0.67	-0.53
AUD	1.55	1.66	2.20	2.22	2.30

Economic Events

Date	Country	Event	Actual	Forecast	Previous
3-Dec-18	GBP	Manufacturing PMI	53.1	51.6	51.1
3-Dec-18	USD	FOMC Member Williams Speaks			
3-Dec-18	USD	ISM Manufacturing PMI	59.3	57.5	57.7
4-Dec-18	GBP	BOE Gov Carney Speaks			
4-Dec-18	GBP	Construction PMI		52.5	53.2
5-Dec-18	EUR	ECB President Draghi Speaks			
5-Dec-18	GBP	Services PMI		52.5	52.2
5-Dec-18	USD	Fed Chair Powell Testifies			
7-Dec-18	USD	Average Hourly Earnings m/m		0.3%	0.2%
7-Dec-18	USD	Non-Farm Employment Change		200K	250K

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.69	2.80	2.80	2.94	3.20
Germany	-0.68	-0.62	-0.28	0.30	0.97
United Kingdom	0.72	0.71	0.89	1.31	2.01
Japan	-0.15	-0.14	-0.12	0.07	0.78

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	61.31	0.69	Dow Jones	25,826.43	1.13
Brent	60.01	(0.03)	Nikkei 225	22,248.19	(1.45)
West Texas	52.93	(0.19)	S&P 500	2,790.37	1.09
Gold	1,236.71	0.46	KuwaitSE	5,115.73	(0.90)

Global Indices

All information has been sourced from Reuters.

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