

Highlights in the Foreign Exchange Market:

- Asian equities remained mixed today due to the continuous thin trading during the holiday season. Nikkei index was up by 0.06% to reach 22,905.97 during midmorning trade. In Wall Street equities edged lower marginally as Dow Jones and S&P 500 closed the trading session yesterday down by 0.03% and 0.11% respectively.
- Japan's unemployment rate fell to its lowest level since November 1993, offering another signal that the world's third-largest economy is on track to recovery even if the pace is slow. Figures released by the government showed unemployment dropped to 2.7 percent last month from 2.8 percent. While the jobs to applicants ratio enhanced slightly, up 0.01 percent from the previous month to 1.56 in November, the highest level in almost 44 years.
- Retailers in the US experienced their best holiday season in 5 years, as year-end retail sales increased 4.9% y/y in a sign of renewed consumer confidence. According to the data compiled by Mastercard, the number was lifted by a healthy boost from online sales, which were up 18.1% over the season. Mastercard official commented on the report saying that "the strong U.S. economy was a contributing factor, but we also have to recognize that retailers who tried new strategies to engage holiday shoppers were the beneficiaries of this sales increase."
- In the commodities front, oil prices surged after a pipeline blast in Libya sending West Texas to \$60 per barrel which was last reached in August 2015. Brent crude also reached a high of \$66.73 a level not reached since July 2015.

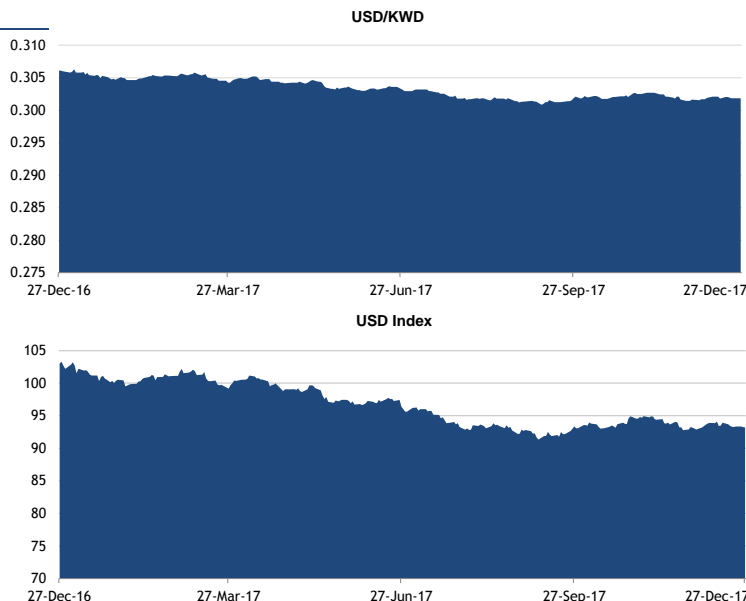


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1725	1.1800	1.1872	1.1905	1.1955
GBP	1.3275	1.3315	1.3375	1.3420	1.3490
JPY	112.00	112.80	113.18	113.40	114.30
CHF	0.9780	0.9855	0.9888	0.9915	1.0040

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1858	12.98	EUR/GBP	0.8863	4.23
GBP/USD	1.3372	8.44	GBP/JPY	151.43	5.15
USD/JPY	113.22	(3.15)	EUR/JPY	134.27	9.18
USD/CHF	0.9889	(2.89)	EUR/CHF	1.1731	9.59

Major Crosses

Brief Technical Commentary

Euro is trading side ways as year end approaches. Short term outlook might have some consolidation around current levels above 1.1800 but Medium term outlook remains bearish. Next solid support is 1.1725 which needs to break to resume the downtrend move. On the upside a break of 1.1955 would turn the pair to slightly bullish.

USDJPY is moving in a tight range. Short term outlook is neutral. However, general strength in USD across the board is observed for the long run. A break above 114.30 would turn the outlook to a bullish case. On the downside, a break below 112.00 would turn the outlook to negative.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.38	1.69	1.88	2.13	2.38
USD	1.49	1.56	1.69	1.83	2.10
EUR	-0.42	-0.42	-0.38	-0.32	-0.24
GBP	0.48	0.49	0.52	0.58	0.77
CHF	-0.89	-0.83	-0.76	-0.65	-0.53
AUD	1.05	2.05	2.27	2.20	1.97

Economic Events

Date	Country	Event	Actual	Forecast	Previous
26-Dec-17	JPY	Household Spending y/y	1.7%	0.6%	0.0%
26-Dec-17	JPY	National Core CPI y/y	0.9%	0.8%	0.8%
26-Dec-17	JPY	BOJ Gov Kuroda Speaks			
27-Dec-17	USD	CB Consumer Confidence		128.2	129.5
27-Dec-17	USD	Pending Home Sales m/m		-0.4%	3.5%
28-Dec-17	USD	Unemployment Claims		241k	245k
28-Dec-17	USD	Chicago PMI		62.0	63.9
28-Dec-17	USD	Crude Oil Inventories			-6.5M
29-Dec-17	EUR	German Prelim CPI m/m		0.5%	0.3%
29-Dec-17	EUR	M3 Money Supply y/y		4.9%	5.0%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.71	1.92	2.24	2.47	2.82
Germany	-0.83	-0.66	-0.22	0.41	1.24
United Kingdom	0.29	0.42	0.74	1.24	1.82
Japan	-0.16	-0.15	-0.10	0.04	0.81

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	63.64	2.56	Dow Jones	24,746.21	(7.85)
Brent	66.82	(0.03)	Nikkei 225	22,913.12	20.89
West Texas	59.20	(1.17)	S&P 500	2,680.50	(2.84)
Gold	1,282.42	(0.07)	KuwaitSE	6,369.43	24.66

All information has been sourced from Reuters

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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).