



Highlights in the Foreign Exchange Market:

- The Bank of England voted to leave rates on hold in its final policy decision of the year as widely expected. The monetary policy committee voted 7-2 to keep the official interest rate on hold at 0.75%. The BOE maintained its message that interest rates could move in either direction moving forward, and that it was still too early to judge how material the effect of developments regarding the US-China trade war and Brexit would be on the UK economy. Data released last week revealed a sharp drop in UK retail sales for the fourth month in a row raising concern over the most resilient sector of the economy. The figure fell 0.6% in November compared with the previous month, defying expectations of a 0.3% rise. The pound was one of the worst performing currencies despite positive developments on Brexit, ending the week lower at 1.2997.
- The Bank of Japan left policy untouched at -0.1% on Thursday and maintained its target for interest rates and asset purchases. The Bank has now reached the end of a shaky year without having to dig deeper into its depleted ammunition, despite easing by global central banks which now appears to have ended. The phase one US-China trade deal, the stabilizing of manufacturing readings and a stronger mandate for Brexit has caused the BOJ to shift its tone on the global economy. Japan's economy, the world's third-largest, expanded at an annualized 1.8% in Q3 on resilient domestic demand and business spending.
- Optimism regarding the economy and trade continued to fuel a record-setting run for Wall Street as the S&P 500, Nasdaq Composite, and Dow Jones Industrial Average all hit record highs, securing four straight weeks in positive territories. A final reading on US GDP revealed a better than expected reading, while President Donald Trump said he had "a very good talk" with China's Xi Jinping about the phase one trade deal – all supporting the rally seen in equities.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0985	1.1050	1.1078	1.1175	1.1235
GBP	1.2700	1.2850	1.3000	1.3150	1.3290
JPY	108.60	109.00	109.44	110.60	112.00
CHF	0.9700	0.9780	0.9826	0.9870	0.9910

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1078	(3.41)	EUR/GBP	0.8518	(5.19)
GBP/USD	1.3002	1.88	GBP/JPY	142.22	1.56
USD/JPY	109.4400	(0.74)	EUR/JPY	121.20	(3.98)
USD/CHF	0.9826	0.12	EUR/CHF	1.0882	(3.31)

Major Crosses

Brief Technical Commentary

EUR/USD: Good support buyers at 1.1075, EURUSD is in a range since August with a neutral trend projection. Short term outlook is lower as economic numbers from the US on Friday allowed the greenback to preserve daily highs.

GBP/USD: Sterling was the weakest among the other major currencies after P.M. Boris Johnson's statements; hard transition statements. Short term outlook is limited, higher rally is most likely. A good support at 1.2975 and 1.28, while resistance is minimum as next quarter projections exposes to higher levels.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.19	2.50	2.75	2.94	3.19
USD	1.58	1.78	1.93	1.92	2.00
EUR	-0.54	-0.51	-0.42	-0.38	-0.27
GBP	0.70	0.71	0.80	0.87	0.97
CHF	-0.79	-0.79	-0.69	-0.62	-0.50
AUD	0.70	0.80	1.05	1.05	1.05

Economic Events

Date	Country	Event	Actual	Forecast	Previous
18-Dec-19	GBP	CPI y/y	1.5%	1.4%	1.5%
19-Dec-19	GBP	Retail Sales m/m	-0.6%	0.3%	0.0%
19-Dec-19	GBP	MPC Official Bank Rate Votes	0-2-7	0-2-7	0-2-7
20-Dec-19	GBP	Current Account	-15.9B	-15.7B	-24.2B
20-Dec-19	GBP	Parliament Brexit Vote	Pass		
23-Dec-19	CAD	GDP m/m		0.1%	0.1%
23-Dec-19	USD	Core Durable Goods Orders m/m		1.5%	0.5%
23-Dec-19	USD	Durable Goods Orders m/m		0.2%	0.5%
23-Dec-19	CAD	GDP m/m		0.1%	0.1%
27-Dec-19	USD	Crude Oil Inventories			-1.1M

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.51	1.63	1.73	1.92	2.34
Germany	-0.73	-0.65	-0.53	-0.26	0.27
United Kingdom	0.60	0.51	0.56	0.77	1.27
Japan	-0.13	-0.12	-0.10	-0.01	0.42

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	68.34	(0.12)	Dow Jones	28,455.09	0.28
Brent	66.14	(0.60)	Nikkei 225	23,816.63	(0.20)
West Texas	60.44	(1.21)	S&P 500	3,221.22	0.49
Gold	1,477.95	(0.07)	KuwaitSE	6,195.18	0.54

All information has been sourced from Reuters.

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