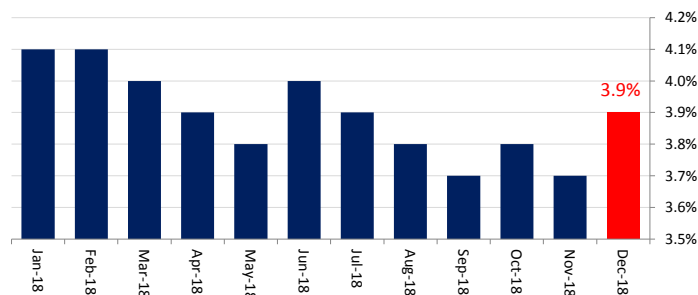


Highlights in the Foreign Exchange Market:

- The US economy added 312,000 jobs in December, the fastest rate of hiring in 10 months. Readings for October and November were revised higher by 58,000. Overall, the US economy produced 2.6 million jobs last year compared to 2.2 million in 2017. Despite the decent hiring, the unemployment rate rose from 3.7% to 3.9%. On the wages front, average hourly earnings inflated by 0.4% m/m, sending the annual rate to the highest level since 2009 at 3.2%. The labor report was extremely positive and could lessen market worries that the Federal Reserve may be forced to cut interest rates. Nevertheless, the mounting concerns facing the US continue to cast doubts over whether such strength is sustainable.
- The monthly manufacturing survey out of the US (ISM PMI) has shrunk quite significantly from 59.3 to 54.1, the largest monthly drop since the 2008 financial crises. The index is currently at its lowest level since November 2016 and just five months ago, the index was at a 14-year high. The Production Index also fell by 6.3 points to 54.3. The manufacturing PMI is still above 50, indicating an expansionary environment. However, the 5.2 points descent seen last month has been exceeded just twice this century, both times during recessions.
- In the commodities complex, oil prices rebounded on the first trading week of 2019 thanks to diminishing OPEC supplies by the largest amount in almost two years and an improving sentiment on the trade front. In details, OPEC members pumped 32.68 million bpd in December, down by 460,000 bpd from November's reading. The latest figure suggests that some OPEC members have already decreased output production even before the implementation of the 1.2 million bpd cut agreement between OPEC and 10 other oil producing nations. Brent crude oil rose around 7.6% this past week, and is currently trading around the 57.06 level.

US Unemployment Rate
2018 Performance



Brent Crude
2-Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1195	1.1295	1.1393	1.1490	1.1595
GBP	1.2525	1.2625	1.2727	1.2830	1.2930
JPY	106.50	107.50	108.52	109.50	110.55
CHF	0.9665	0.9755	0.9863	0.9965	1.0070

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1393	(0.66)	EUR/GBP	0.8954	(0.33)
GBP/USD	1.2726	(0.24)	GBP/JPY	138.00	(1.46)
USD/JPY	108.52	(1.58)	EUR/JPY	123.70	(2.00)
USD/CHF	0.9863	0.50	EUR/CHF	1.1244	(0.09)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1420 level during Friday's trading session and closed for the week at 1.1393. EUR/USD Support is at (1.1195-1.1215) 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 108.58 level during Friday's trading session and closed for the week at 108.52 USD/JPY Support is at (106.50-107.50) any break below targets 104.95. Short term and medium term outlook are Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.69	2.13	2.38	2.63	2.81
USD	2.41	2.52	2.80	2.86	2.96
EUR	-0.44	-0.42	-0.34	-0.30	-0.18
GBP	0.70	0.73	0.91	1.03	1.17
CHF	-0.81	-0.78	-0.71	-0.64	-0.50
AUD	1.70	1.87	2.10	2.20	2.25

Economic Events

Date	Country	Event	Actual	Forecast	Previous
7-Jan-19	USD	ISM Non-Manufacturing PMI		59.6	60.7
8-Jan-19	CAD	Trade Balance		-1.9B	-1.2B
9-Jan-19	CAD	Overnight Rate		2.00%	1.75%
9-Jan-19	GBP	BOE Gov Carney Speaks			
9-Jan-19	USD	FOMC Meeting Minutes			
10-Jan-19	USD	Fed Chair Powell Speaks			
11-Jan-19	GBP	GDP m/m		0.1%	0.1%
11-Jan-19	GBP	Manufacturing Production m/m		0.4%	-0.9%
11-Jan-19	USD	CPI m/m		-0.1%	0.0%
11-Jan-19	USD	Core CPI m/m		0.2%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.56	2.49	2.50	2.67	2.98
Germany	-0.64	-0.63	-0.32	0.21	0.85
United Kingdom	0.73	0.73	0.88	1.27	1.80
Japan	-0.18	-0.18	-0.19	-0.04	0.65

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	55.58	(0.27)	Dow Jones	23,433.16	3.29
Brent	55.23	(0.04)	Nikkei 225	19,561.96	(2.26)
West Texas	47.71	(0.21)	S&P 500	2,531.94	3.43
Gold	1,284.83	(0.68)	KuwaitSE	5,138.94	(0.90)

All information has been sourced from Reuters.

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