

Highlights in the Foreign Exchange Market:

- Underlying U.S. consumer prices recorded their largest increase in 11 months in December amid strong gains in the cost of rental accommodation and healthcare, bolstering expectations that inflation will gain momentum this year. The Labor Department said its Consumer Price Index excluding the volatile food and energy components rose 0.3% last month also as prices for new motor vehicles, used cars and trucks and motor vehicle insurance increased.
- The US labor department said that its producer price index slipped by 0.1% last month, marking the first monthly drop since August 2016. Most of the December decline in the final demand index is attributable to a 0.2% decrease in prices for final demand services. A major factor in the December decline in prices for final demand services was the index for automotive fuels and lubricants retailing, which fell 10.7%. The indexes for loan services (partial); airline passenger services; apparel, footwear, and accessories retailing; legal services; and health, beauty, and optical goods retailing also moved lower. In contrast, prices for inpatient care advanced 0.7%. The indexes for truck transportation of freight and apparel wholesaling also increased.
- In Europe, news of an initial agreement between the CSU, Merkel's party, and the Social Democrats (SPD) managed to aid the euro in its rise to a three-year high of 1.2240. The preliminary agreement will enable the parties to form a majority in the parliament after 3.5 months of uncertainty regarding the parties' ability and willingness to govern together. This positive piece of news out of Germany coupled with the hawkish tone of the ECB has given the Euro a head start in 2018, where it is up 1.8% since the beginning of the year.

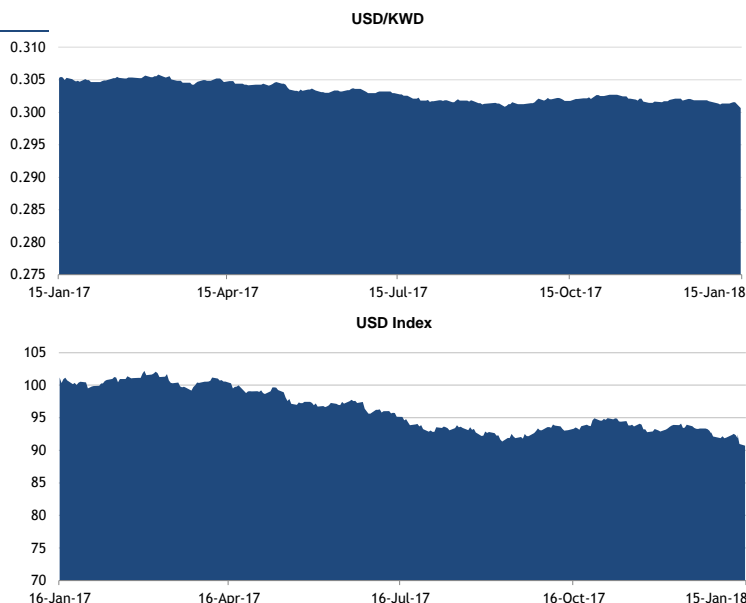


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2100	1.2165	1.2225	1.2275	1.2325
GBP	1.3650	1.3695	1.3745	1.3795	1.3845
JPY	109.70	110.20	110.69	111.20	111.70
CHF	0.9560	0.9615	0.9665	0.9715	0.9770

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2185	1.79	EUR/GBP	0.8884	0.03
GBP/USD	1.3727	1.67	GBP/JPY	152.45	0.09
USD/JPY	111.03	(1.64)	EUR/JPY	135.40	0.10
USD/CHF	0.9680	(0.83)	EUR/CHF	1.1797	0.96

Major Crosses

Brief Technical Commentary

The EUR/USD pair moved up to the 1.2188 level during Friday's trading session and currently trading at 1.2225. EUR Resistance is at (1.2325-1.2355) any break above targets 1.2515. The pair is currently Bullish.

The USD/JPY pair moved down to the 110.90 level during Friday's trading session and currently trading at 111.69. USD/JPY Support is at (109.50-109.70) any break below targets 108.25. The pair is currently Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.38	1.69	1.88	2.06	2.38
USD	1.47	1.56	1.72	1.89	2.17
EUR	-0.42	-0.40	-0.38	-0.33	-0.25
GBP	0.48	0.50	0.52	0.58	0.78
CHF	-0.80	-0.79	-0.74	-0.64	-0.52
AUD	1.85	1.75	1.92	2.00	2.00

Economic Events

Date	Country	Event	Actual	Forecast	Previous
16-Jan-18	GBP	CPI y/y		3.0%	3.1%
16-Jan-18	GBP	PPI m/m		0.5%	1.8%
17-Jan-18	CAD	BOC Rate Statement			
18-Jan-18	AUD	Unemployment Rate		5.4%	5.4%
18-Jan-18	CNY	GDP q/y		6.7%	6.8%
18-Jan-18	CNY	Industrial Production y/y		6.1%	6.1%
18-Jan-18	USD	Crude Oil Inventories			-4.9M
18-Jan-18	USD	Unemployment Claims		251K	261K
19-Jan-18	GBP	Retail Sales m/m		-0.8%	1.1%
19-Jan-18	CHF	PPI m/m		0.4%	0.6%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.77	2.00	2.34	2.55	2.85
Germany	-0.67	-0.58	-0.13	0.51	1.32
United Kingdom	0.39	0.58	0.85	1.33	1.83
Japan	-0.14	-0.14	-0.09	0.07	0.82

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	66.76	1.03	Dow Jones	25,803.19	228.46
Brent	70.46	(0.03)	Nikkei 225	23,714.88	61.06
West Texas	64.17	(0.16)	S&P 500	2,786.24	18.68
Gold	1,342.10	0.22	KuwaitSE	6,581.14	20.51

All information has been sourced from Reuters

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