

#### Highlights in the Foreign Exchange Market:

- The US Federal Reserve pointed towards rising risks to global economic growth as it put further interest rate rises on hold. The change in tone was a relief to investors as concerns that Fed chairman Jerome Powell had been too bullish and inflexible regarding his rate-hike program eased. Powell clarified that the decision was not driven by changes in outlook to the domestic economy, but by a number of other "cross-currents" such as slower growth in China and Europe, uncertainty regarding trade, and the recent US governmental shutdown. The US dollar fell 0.55% against its global peers, currently trading at around the 95.24 level.
- European and Asian equity indices were trading in a mixed manner on Wednesday as financial markets await the outcome of trade talks between the US and China. Markets are currently expecting no major breakthrough but the prospects are that some progress may be made. On the other hand, US stock markets rallied yesterday, thanks to better than anticipated earnings from Apple Inc and Boeing Co. Apple's share price soared around 6.83% when the corporation reported a sharp growth in services business and the CEO stated that trade tensions between the two largest economies were easing. The Dow Jones was the best performer, gaining 1.77%.
- In the foreign exchange sphere, major currencies were trading in a narrow range as investors were cautious ahead of the outcome of the US Federal Reserve's meeting, while they awaited the FOMC's Press Conference to get a hint from the Chairman on the future path of monetary policy. Moreover, US-China trade talks and Brexit worries were lurking in the background. The Australian dollar outperformed all currencies and appreciated by 1.24% versus the USD after the quarterly consumer inflation figure came in at 0.5%, beating the 0.4% forecast. Futures now suggest a 52% chance of a 0.25% cut in the 1.5% cash rate of the RBA by the end of this year, compared with 70% before the CPI data reached markets.

US Dollar Index  
2 Month Performance



Dow Jones Industrial Average  
2 Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1400	1.1450	1.1503	1.1555	1.1605
GBP	1.3025	1.3085	1.3125	1.3175	1.3230
JPY	107.70	108.20	108.81	109.30	109.85
CHF	0.9825	0.9875	0.9927	0.9980	1.0030

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1477	0.29	EUR/GBP	0.8749	(2.47)
GBP/USD	1.3116	2.89	GBP/JPY	143.00	1.97
USD/JPY	109.02	(1.33)	EUR/JPY	125.15	(0.86)
USD/CHF	0.9941	1.08	EUR/CHF	1.1412	1.44

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1502 level during Wednesday's trading session and currently trading at 1.1503. EUR/USD Support is at (1.1400-1.1450) any break below would take the pair to 1.1285. Short term and medium term outlook are Neutral.

USD/JPY: The pair moved down to the 108.80 level during Wednesday's trading session and currently trading at 108.81. USD/JPY Support is at (107.70-108.20) any break below targets 106.85. Short term and medium term outlook are Neutral.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.94	2.31	2.56	2.81	3.06
USD	2.41	2.51	2.74	2.81	3.02
EUR	-0.44	-0.42	-0.34	-0.29	-0.17
GBP	0.70	0.73	0.92	1.04	1.16
CHF	-0.81	-0.79	-0.71	-0.65	-0.51
AUD	1.85	1.91	2.22	2.17	2.30

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
28-Jan-19	EUR	ECB President Draghi Speaks			
28-Jan-19	GBP	BOE Gov Carney Speaks			
29-Jan-19	USD	CB Consumer Confidence	120.2	125.0	126.6
29-Jan-19	AUD	CPI q/q	0.5%	0.4%	0.4%
30-Jan-19	USD	FOMC Statement			
30-Jan-19	USD	Federal Funds Rate	<2.5%	<2.5%	<2.5%
31-Jan-19	CAD	GDP m/m			0.3%
1-Feb-19	USD	Average Hourly Earnings m/m		0.3%	0.4%
1-Feb-19	USD	Non-Farm Employment Change		165K	312K
1-Feb-19	USD	Unemployment Rate		3.8%	3.9%

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.57	2.51	2.49	2.68	3.03
Germany	-0.56	-0.58	-0.35	0.18	0.77
United Kingdom	0.77	0.76	0.90	1.26	1.74
Japan	-0.19	-0.17	-0.17	-0.01	0.64

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	61.71	0.50	Dow Jones	25,014.86	1.77
Brent	62.33	(0.03)	Nikkei 225	20,795.95	1.16
West Texas	54.13	(0.18)	S&P 500	2,681.05	1.55
Gold	1,319.94	0.03	KuwaitSE	5,203.45	0.35

All information has been sourced from Reuters.

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