

Highlights in the Foreign Exchange Market:

- US stock indices closed in negative territory on Tuesday after unsatisfactory results from Walmart earnings. The S&P and Dow Jones snapped from a six-day winning streak as the indices lost 0.58% and 1.01% of their value respectively. Investors somewhat returned into a risk averse mode in the equity market thanks to the recent developments in the Treasury market.
- The US Treasury on Tuesday sold \$179 billion of securities as it works to rebuild its cash balance. \$28 billion of two-year notes were sold at a yield of 2.255%, the highest since the August 2008 auction. The bid/cover ratio fell to 2.72 from 3.22 indicating weaker demand. Analysts and traders are now concerned about demand for the \$35 billion five-year note sale on Wednesday and the \$29 billion seven-year auction on Thursday. Treasury prices have been declining recently on the back of faster rate hike expectations from the Federal Reserve.
- Oil prices fell on Wednesday, weighed down by a rebound in the US dollar from three-year lows hit last week and an expected rise in US oil production. A rising dollar potentially hits fuel demand as it makes greenback-denominated oil imports more expensive for countries using other currencies. US West Texas Intermediate was down 72 cents while Brent crude was down 60 cents.

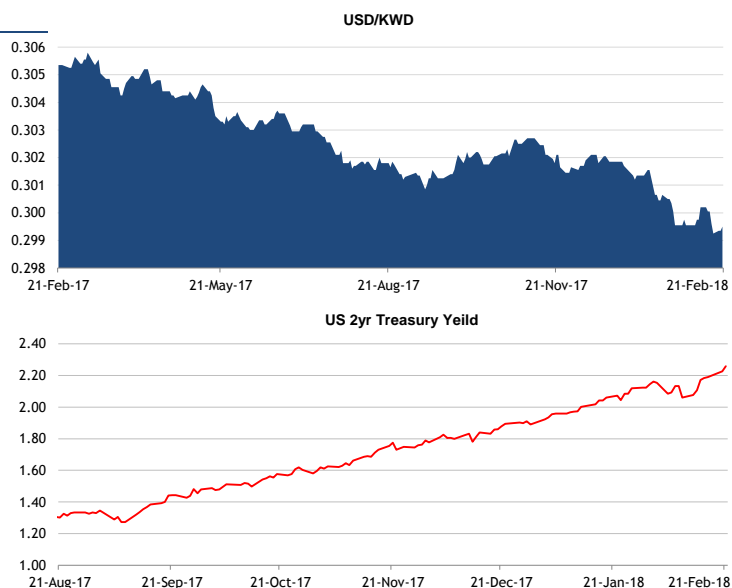


Chart Points and Other Technical Input

| CCY | 2nd Support | 1st Support | Spot | 1st Resistance | 2nd Resistance |
|-----|-------------|-------------|---------------|----------------|----------------|
| EUR | 1.2220 | 1.2270 | 1.2320 | 1.2370 | 1.2435 |
| GBP | 1.3875 | 1.3925 | 1.3975 | 1.4030 | 1.4085 |
| JPY | 106.75 | 107.25 | 107.82 | 108.25 | 108.75 |
| CHF | 0.9275 | 0.9325 | 0.9375 | 0.9425 | 0.9475 |

Major Currencies

| CCY | Closing Rate | YTD % | CCY | Closing Rate | YTD % |
|---------|--------------|--------|---------|--------------|--------|
| EUR/USD | 1.2336 | 2.76 | EUR/GBP | 0.8814 | (0.79) |
| GBP/USD | 1.3994 | 3.48 | GBP/JPY | 150.19 | (0.93) |
| USD/JPY | 107.31 | (4.36) | EUR/JPY | 132.40 | (1.74) |
| USD/CHF | 0.9360 | (3.82) | EUR/CHF | 1.1548 | (1.16) |

Major Crosses

Brief Technical Commentary

EUR/USD: pair moved up to the 1.2412 level during Tuesday's trading session and currently trading at 1.2320. EUR Resistance is at (1.2435-1.2465) any break above targets 1.2510 and Support is at (1.2220-1.2240) any break below targets 1.2090. The pair is currently Neutral.

USD/JPY: pair moved up to the 107.37 level during Tuesday's trading session and currently trading at 107.90 USD/JPY Resistance is at (108.55-75) any break below targets 109.70 and Support is at (106.55-106.75) any break below targets 105.70. The pair is currently Neutral.

Local & Global Rates

| CCY | 1-Week | 1-Month | 3-Month | 6-Month | 1-Year |
|-----|--------|---------|---------|---------|--------|
| KWD | 1.31 | 1.63 | 1.88 | 2.06 | 2.38 |
| USD | 1.47 | 1.60 | 1.90 | 2.13 | 2.41 |
| EUR | -0.42 | -0.40 | -0.38 | -0.32 | -0.26 |
| GBP | 0.49 | 0.49 | 0.55 | 0.66 | 0.88 |
| CHF | -0.80 | -0.80 | -0.75 | -0.66 | -0.53 |
| AUD | 1.90 | 1.92 | 2.10 | 2.18 | 2.00 |

Economic Events

| Date | Country | Event | Actual | Forecast | Previous |
|-----------|---------|-----------------------------|--------|----------|----------|
| 19-Feb-18 | GBP | Gov Carney Speaks | | | |
| 20-Feb-18 | AUD | RBA Monetary Policy Minutes | | | |
| 20-Feb-18 | EUR | German ZEW Sentiment | 17.8 | 16.0 | 20.4 |
| 21-Feb-18 | EUR | Flash Manufacturing PMI | | 59.4 | 59.6 |
| 21-Feb-18 | EUR | Flash Services PMI | | 57.7 | 58.0 |
| 21-Feb-18 | GBP | Average Earnings Index 3m/y | | 2.5% | 2.5% |
| 21-Feb-18 | USD | FOMC Meeting Minutes | | | |
| 22-Feb-18 | GBP | Second Estimate GDP q/q | | 0.5% | 0.5% |
| 22-Feb-18 | EUR | ECB Monetary Policy Minutes | | | |
| 23-Feb-18 | EUR | Final CPI y/y | | 1.3% | 1.3% |

Government Yields

| Country | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|----------------|--------|--------|--------|---------|---------|
| United States | 1.99 | 2.25 | 2.65 | 2.89 | 3.15 |
| Germany | -0.67 | -0.52 | 0.08 | 0.73 | 1.39 |
| United Kingdom | 0.40 | 0.66 | 1.04 | 1.58 | 1.96 |
| Japan | -0.16 | -0.16 | -0.11 | 0.05 | 0.78 |

Commodities

| Index | Last Price | % Change | Index | Last Price | Change |
|------------|------------|----------|------------|------------|----------|
| Kuwait Oil | 61.17 | (0.63) | Dow Jones | 24,964.75 | (254.63) |
| Brent | 63.92 | (0.03) | Nikkei 225 | 21,950.06 | 24.96 |
| West Texas | 61.89 | (0.06) | S&P 500 | 2,716.26 | (15.96) |
| Gold | 1,328.08 | (0.16) | KuwaitSE | 6,699.58 | 19.06 |

Global Indices

All information has been sourced from Reuters

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