

Highlights in the Foreign Exchange Market:

- The US government partial shutdown seems to be heading into 2019 after funding ran out on December 21st. US President Donald Trump is still blaming the Democrats for the partial shutdown and the loss of income for federal employees. There is no sign of progress towards a budget to fund the currently closed nine government departments. The issue remains that Trump is demanding \$5 billion to build the wall at the southern borders while the democrats call such spending wasteful and ineffective. White house Press Secretary Sarah Sanders issued a statement to clarify Trump's view on the matter "The president has made clear that any bill to fund the government must adequately fund border security to stop the flow of illegal drugs, criminals, MS-13 gang members, child smugglers and human traffickers into our communities – and protect the American people," she said. "The president does not want the government to remain shut down, but he will not sign a proposal that does not first prioritize our county's safety and security."
- As for Wall Street, US equity markets witnessed extreme volatility last week as indices lacked any clear direction, while trading volumes were relatively thin. Despite the volatility, stock markets saw one of their best days since the great recession last Wednesday, supported by a MasterCard report. The report indicated that sales during the Christmas season rose the most in six years, which paved the way for the Dow Jones to surge by 1,000 points. However, the upward momentum was short lived, pressured by consumers' concerns about the economy, volatile stock markets, and a partial shutdown of the US government. The consumer sentiment index fell to a five-month low and came in weaker than even the lowest economists' estimate in a Reuters poll.

Dow Jones
YTD Performance



USD/KWD
YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1235	1.1335	1.1436	1.1540	1.1635
GBP	1.2500	1.2600	1.2701	1.2800	1.2900
JPY	108.25	109.35	110.26	111.30	112.35
CHF	0.9640	0.9745	0.9841	0.9945	1.0040

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1476 level during Friday's trading session and closed for the week at 1.1436. EUR/USD Support is at (1.1215-1.1235) 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 down to the 110.13 level during Friday's trading session and closed for the week at 110.26 USD/JPY Support is at (108.25-109.35) any break below targets 107.30. Short term and medium term outlook are Bearish.

Economic Events

Date	Country	Event	Actual	Forecast	Previous
31-Dec-18	CNY	Manufacturing PMI		50.0	50.0
2-Jan-19	GBP	Manufacturing PMI		52.6	53.1
3-Jan-19	USD	ADP Non-Farm Employment		180k	179k
3-Jan-19	USD	ISM Manufacturing PMI		58.2	59.3
4-Jan-19	GBP	Services PMI		50.8	50.4
4-Jan-19	EUR	Core CPI Flash Estimate y/y		1.0%	1.0%
4-Jan-19	EUR	CPI Flash Estimate y/y		1.8%	2.0%
4-Jan-19	USD	Average Hourly Earnings m/m		0.3%	0.2%
4-Jan-19	USD	Non-Farm Employment Change		181k	155k
4-Jan-19	USD	Unemployment Rate		3.7%	3.7%

All information has been sourced from Reuters.

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Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1436	(4.67)	EUR/GBP	0.9011	1.42
GBP/USD	1.2705	(5.97)	GBP/JPY	140.04	(7.94)
USD/JPY	110.26	(2.14)	EUR/JPY	126.22	(6.63)
USD/CHF	0.9841	1.01	EUR/CHF	1.1259	(3.68)

Major Crosses

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.63	2.06	2.31	2.56	2.81
USD	2.42	2.52	2.80	2.87	3.01
EUR	-0.43	-0.41	-0.36	-0.31	-0.18
GBP	0.71	0.73	0.91	1.04	1.17
CHF	-0.81	-0.80	-0.72	-0.64	-0.51
AUD	2.00	1.95	2.12	2.22	2.30

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.58	2.52	2.55	2.71	3.02
Germany	-0.64	-0.66	-0.28	0.23	0.87
United Kingdom	0.73	0.73	0.89	1.25	1.79
Japan	-0.16	-0.15	-0.16	-0.01	0.70

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	51.98	(1.31)	Dow Jones	23,062.40	(0.33)
Brent	50.51	(0.04)	Nikkei 225	20,014.77	(0.31)
West Texas	45.10	(0.22)	S&P 500	2,485.74	(0.12)
Gold	1,280.67	0.43	KuwaitSE	5,063.74	(0.90)

Global Indices