

Highlights in the Foreign Exchange Market:

- US employment data managed to impress market over the weekend. Average hourly earnings rose 0.3% m/m in January, above the level expected by economists. Additionally, December's figure was revised upwards to indicate a 0.4% m/m gain. The year-on-year increase in average hourly earnings rose to 2.9%, the largest increase since June of 2009, while December's y/y figure stood at 2.7%. At the same time, the number of jobs jumped by 200K, well above the level of 181K expected by markets. Last month's figure was also revised upwards to 160K. Meanwhile, the unemployment rate stood unchanged at 4.1%, a 17-year low.
- In China, the yuan has experienced its strongest monthly rally in almost 40 years in January. Since the beginning of the year, the yuan has gained more than 3% in value amid overall dollar softness. Recent surveys have indicated that a rising number of exporters are getting worried about a stronger Yuan. Meanwhile however, the lingering threat of capital outflows, as well as the risk of exacerbating trade tensions with the Trump White House, markets do not expect the Chinese government to take action anytime soon.
- Oil prices fell on Friday as the dollar rose following strong US jobs numbers, though compliance with output cuts by OPEC and rising global demand kept much of the early year oil rally in place. US West Texas Intermediate settled down 35 cents to \$65.45 a barrel, after earlier losing more than 1%. Brent lost \$1.13, or 1.5%, to \$67.13 a barrel. The deep decline in Brent narrowed the gap between it and WTI to its narrowest since August; that wide gap has boosted US exports in recent months.

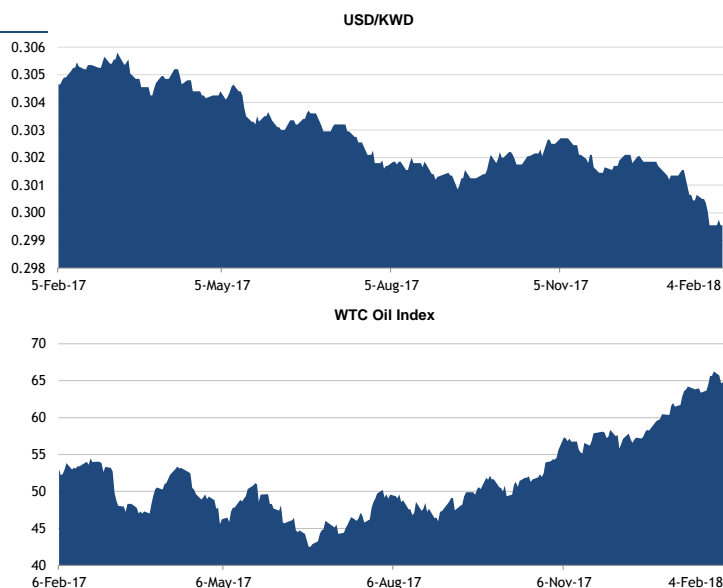


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2255	1.2355	1.2460	1.2545	1.2665
GBP	1.3925	1.4020	1.4120	1.4235	1.4345
JPY	108.15	109.20	110.09	111.20	112.15
CHF	0.9125	0.9215	0.9311	0.9420	0.9515

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2460	3.87	EUR/GBP	0.8820	(0.70)
GBP/USD	1.4120	4.50	GBP/JPY	155.47	2.21
USD/JPY	110.10	(2.28)	EUR/JPY	137.23	1.52
USD/CHF	0.9310	(4.44)	EUR/CHF	1.1600	(0.76)

Major Crosses

Brief Technical Commentary

EUR/USD: pair moved up to the 1.2520 level during Friday's trading session and closed the week at 1.2460. EUR Resistance is at (1.2545-1.2565) any break above targets 1.2665 and Support is at (1.2225-1.2255) any break below targets 1.2165. The pair is currently Neutral.

The USD/JPY pair moved up to the 110.47 level during Friday's trading session and closed the week at 110.09. USD/JPY Resistance is at (111.75-112.15) any break above targets 112.90 and Support is at (108.15-108.35) any break below targets 106.90. The pair is currently Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.44	1.75	1.94	2.13	2.38
USD	1.47	1.58	1.79	1.99	2.29
EUR	-0.43	-0.41	-0.38	-0.34	-0.26
GBP	0.49	0.50	0.53	0.61	0.82
CHF	-0.81	-0.80	-0.75	-0.66	-0.53
AUD	1.77	1.95	1.94	2.01	2.12

Economic Events

Date	Country	Event	Actual	Forecast	Previous
5-Feb-18	CNY	Caixin Services PMI		53.6	53.9
5-Feb-18	GBP	Services PMI		54.1	54.2
5-Feb-18	USD	ISM Non-Manufacturing PMI		56.5	55.9
6-Feb-18	AUD	RBA Monetary Policy Meeting			
7-Feb-18	GBP	FOMCE Dudley Speakes			
8-Feb-18	CNY	Trade Balance		325B	362B
8-Feb-18	GBP	BOE Monetary Policy Meeting			
9-Feb-18	CNY	CPI y/y		1.5%	1.8%
9-Feb-18	CNY	PPI y/y		4.3%	4.9%
9-Feb-18	GBP	Manufacturing Production		0.3%	0.4%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.87	2.14	2.59	2.84	3.09
Germany	-0.67	-0.57	0.01	0.76	1.40
United Kingdom	0.36	0.65	1.04	1.56	1.95
Japan	-0.14	-0.14	-0.08	0.08	0.81

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	65.84	(0.57)	Dow Jones	25,520.96	(665.75)
Brent	67.13	(0.03)	Nikkei 225	23,274.53	(211.58)
West Texas	65.48	(0.06)	S&P 500	2,762.13	(59.85)
Gold	1,333.04	(1.18)	KuwaitSE	6,687.81	23.74

Global Indices

All information has been sourced from Reuters

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 (TELEX : 46811 - FAX +965 2241 9720).