

Highlights in the Foreign Exchange Market:

- The US governmental shutdown has persisted into its third week at an inconvenient time for markets given that the Federal Reserve has claimed policy would be predominantly "data dependent" for 2019. Around 800,000 federal employees have been affected, with agencies that produce vital data to market participants now in disarray. The Census Bureau has postponed the release of November data on international trade in goods and services due to loss of funding, following the previous month's report revealing the trade deficit at the widest level in a decade.
- Nonetheless, US equities have continued on with three sessions of gains amid optimism regarding US-China trade talks. The S&P 500 has risen 2.7% since the beginning of the year, while the Dow Jones rose around 2%.
- Theresa May's Brexit deal will be voted on by MPs next Tuesday after the prime minister completes a five-day debate in her final attempt to tackle the strong opposition. Though the deal has won some support from the EU, speculations point to Mrs May losing the vote and possibly delaying the UK's departure from the bloc scheduled March 29.
- Oil prices have increased more than 8% since the beginning of 2019 as markets respond to cuts in Opec production that came into action this month. Brent crude saw its largest weekly climb last week since 2017 and continued the trend, climbing 3.3% on Monday after prices dropped to 15-month lows in December. The West Texas Intermediate crude followed, rising by more than 3% to reach \$49.75 on Monday. One of the main drivers in the recovery of crude are resumed talks between the US and China this week, given that the trade stalemate had created a dampening outlook for global growth.

S&P 500 Index
6-Month Performance



Brent Crude
6-Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1345	1.1405	1.1455	1.1505	1.1555
GBP	1.2635	1.2685	1.2736	1.2885	1.2845
JPY	107.85	108.35	108.86	109.45	109.95
CHF	0.9715	0.9765	0.9815	0.9865	0.9920

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1440	(0.11)	EUR/GBP	0.8997	0.09
GBP/USD	1.2717	(0.14)	GBP/JPY	138.27	(0.96)
USD/JPY	108.73	(1.27)	EUR/JPY	124.40	(1.18)
USD/CHF	0.9811	(0.04)	EUR/CHF	1.1225	(0.09)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1485 level during Tuesday's trading session and currently trading at 1.1455. EUR/USD Support is at (1.1315-1.1345) any break below would take the pair to 1.1215. Short term outlook is neutral.

USD/JPY: The pair moved up to the 109.08 level during Tuesday's trading session and currently trading at 108.86. USD/JPY Resistance is at (109.45-109.95) any break above targets 110.40. Short term and medium term outlook are neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.75	2.13	2.44	2.69	2.88
USD	2.41	2.52	2.78	2.85	3.02
EUR	-0.44	-0.42	-0.33	-0.30	-0.18
GBP	0.70	0.73	0.91	1.03	1.18
CHF	-0.81	-0.78	-0.70	-0.64	-0.50
AUD	1.70	1.93	2.17	2.24	2.25

Economic Events

Date	Country	Event	Actual	Forecast	Previous
7-Jan-19	USD	ISM Non-Manufacturing PMI	57.6	59.6	60.7
8-Jan-19	CAD	Trade Balance	-2.1B	-1.9B	-1.2B
9-Jan-19	CAD	Overnight Rate		2.00%	1.75%
9-Jan-19	GBP	BOE Gov Carney Speaks			
9-Jan-19	USD	FOMC Meeting Minutes			
10-Jan-19	USD	Fed Chair Powell Speaks			
11-Jan-19	GBP	GDP m/m		0.1%	0.1%
11-Jan-19	GBP	Manufacturing Production m/m		0.4%	-0.9%
11-Jan-19	USD	CPI m/m		-0.1%	0.0%
11-Jan-19	USD	Core CPI m/m		0.2%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.60	2.58	2.57	2.72	3.00
Germany	-0.62	-0.59	-0.29	0.22	0.87
United Kingdom	0.74	0.75	0.90	1.26	1.81
Japan	-0.15	-0.15	-0.15	0.02	0.70

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	57.97	2.19	Dow Jones	23,787.45	1.09
Brent	56.70	(0.04)	Nikkei 225	20,489.58	1.41
West Texas	49.53	(0.20)	S&P 500	2,574.41	0.97
Gold	1,282.00	(0.22)	KuwaitSE	5,178.41	0.03

All information has been sourced from Reuters.

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