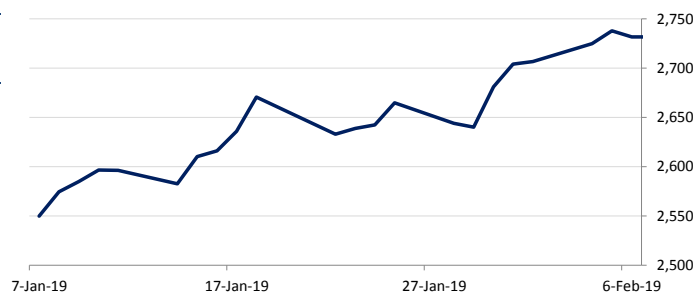


Highlights in the Foreign Exchange Market:

- The United Kingdom is moving closer and closer towards its deadline to leave the EU on March 29. Unless Prime Minister May manages to convince the bloc to reopen the divorce agreement she reached in November and finds a way to sell it to the skeptical British lawmakers, the UK seems to be going on the path towards a no-deal Brexit. European Council President Donald Tusk on Wednesday revealed blunt language which showed that European leaders are frustrated over the rejection of May's divorce deal by the British Parliament. Tusk said that he had abandoned the hope he has often expressed that Britain's exit might be stopped, and that his priority now is to avert a "fiasco" when it leaves. The Sterling took on a downward movement in reaction to Tusk's rejection of May's bid to renegotiate just a day before she is due in Brussels, the Cable is now trading at around the 1.2934 level.
- US stocks ended their five-day winning streak a day after President Trump delivered his State of the Union address. Trump's speech revealed he would meet with North Korean leader Kim Jung Un at the end of February, send more troops to the US-Mexico border, and also spoke about the investigation into the 2016 presidential campaign. Providing very little for markets to lean on, the S&P 500 fell 0.2% and the Dow Jones Industrial Average finished 0.1% lower. Companies reported earnings which drew mixed responses. Electronic Arts and Take-Two Interactive – the two biggest fallers for the S&P 500 – shed more than 13% after revealing disappointing sales forecasts. General Motors rose 3.7% after profits fell less than expected for the final quarter.

S&P 500

1 Month Performance



GBP/USD

1 Month Performance

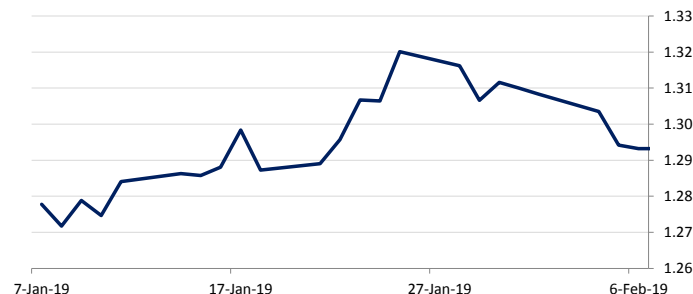


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1255	1.1305	1.1358	1.1405	1.1455
GBP	1.2825	1.2870	1.2931	1.2985	1.3035
JPY	108.85	109.35	109.94	110.45	110.95
CHF	0.9925	0.9975	1.0026	1.0075	1.0125

Major Currencies

Major Crosses

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1360	(0.95)	EUR/GBP	0.8787	(2.22)
GBP/USD	1.2932	1.38	GBP/JPY	142.22	1.53
USD/JPY	109.96	(0.32)	EUR/JPY	124.94	(1.65)
USD/CHF	1.0023	2.15	EUR/CHF	1.1388	1.23

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1357 level during Wednesday's trading session and currently trading at 1.1358. EUR/USD Support is at (1.1255-1.1305) any break below would take the pair to 1.1215. Short term and medium term outlook are Neutral.

USD/JPY: The pair moved up to the 110.05 level during Wednesday's trading session and currently trading at 109.94. USD/JPY Support is at (108.45-108.85) any break below targets 107.75. 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	2.63	2.81	3.06
USD	2.41	2.51	2.74	2.78	2.96
EUR	-0.44	-0.42	-0.33	-0.30	-0.17
GBP	0.70	0.73	0.90	1.02	1.17
CHF	-0.80	-0.78	-0.71	-0.65	-0.51
AUD	1.90	1.93	2.23	2.25	2.22

Economic Events

Date	Country	Event	Actual	Forecast	Previous
4-Feb-19	AUD	Retail Sales m/m	-0.4%	0.0%	0.4%
4-Feb-19	AUD	RBA Rate Statement			
5-Feb-19	USD	ISM Non-Manufacturing PMI	56.7	57.0	57.6
6-Feb-19	NZD	Employment Change q/q	0.1%	0.3%	1.1%
6-Feb-19	NZD	Unemployment Rate	4.3%	4.1%	3.9%
6-Feb-19	USD	Fed Chair Powell Speaks			
7-Feb-19	GBP	BOE Inflation Report			
7-Feb-19	GBP	Monetary Policy Summary			
8-Feb-19	CAD	Employment Change			9.3K
8-Feb-19	CAD	Unemployment Rate			5.6%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.55	2.52	2.50	2.69	3.03
Germany	-0.54	-0.56	-0.34	0.16	0.77
United Kingdom	0.74	0.72	0.85	1.21	1.72
Japan	-0.18	-0.16	-0.16	-0.02	0.60

Commodities

Global Indices

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	62.61	1.49	Dow Jones	25,390.30	(0.08)
Brent	62.31	(0.03)	Nikkei 225	20,744.47	(0.62)
West Texas	53.89	(0.19)	S&P 500	2,731.61	(0.22)
Gold	1,303.76	(0.16)	KuwaitSE	5,199.95	(0.43)

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).