

Highlights in the Foreign Exchange Market:

- US President Donald Trump and Chinese President Xi Jinping have agreed to keep their trade war from escalating for at least the next 90 days. The truce between the two largest economies emerged after the highly anticipated G20 meeting in Argentina on Saturday. According to the terms of the deal, the US will not increase tariffs on more than \$200 billion of Chinese goods from 10% to 25% in January, as previously planned. Additionally, the US has set a deadline of three months to address the alleged intellectual property theft by China. Failure in this regard would likely result in an escalation of tariffs from the US. The sudden trade war was an unexpected shock for China's economy – which was already experiencing a slowdown in growth. The US-China talks might begin as soon as December 12, in which President Xi's top trade negotiator, Mr Liu He, was scheduled to lead a negotiating team to Washington.
- Equity markets in Asia started the week with a bullish momentum as investors were relieved from the worries of an escalating trade war between the US and China. Risk appetite amongst investors was lifted as a truce between Beijing and Washington emerged from the G20 summit sending the Nikkei index and Hang Seng up by 1.33% and 2.68% respectively during midmorning trade.
- Oil prices rebounded by 5% after the biggest monthly drop in a decade as Russia and Saudi Arabia agreed to extend their deal to manage the supply of oil in the market going into 2019 during the G20 summit. Additionally, Canada's largest producing province ordered an unprecedented output cut supported the jump in oil prices.

Hang Seng Index
YTD Performance



Brent Crude Oil
YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1245	1.1300	1.1349	1.1400	1.1455
GBP	1.2665	1.2720	1.2770	1.2825	1.2875
JPY	112.45	112.95	113.45	114.05	114.55
CHF	0.9875	0.9925	0.9980	1.0030	1.0085

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1317	-5.46	EUR/GBP	0.8874	(0.07)
GBP/USD	1.2749	-5.50	GBP/JPY	144.79	5.02
USD/JPY	113.57	-0.72	EUR/JPY	128.44	5.01
USD/CHF	0.9979	-2.37	EUR/CHF	1.13	3.31

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1302 level during Friday's trading session and currently trading at 1.1349. EUR/USD Support is at (1.1215-1.1245) 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 113.31 level during Friday's trading session and currently trading at 113.45. USD/JPY Resistance is at (114.05-114.55) any break above would take the pair to 115.50. Short term and medium term outlook are neutral. However, if the pair breaks the high of the year 114.54 level it will turn bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.81	2.13	2.38	2.63
USD	2.22	2.35	2.74	2.89	3.12
EUR	-0.44	-0.41	-0.36	-0.33	-0.22
GBP	0.71	0.74	0.89	1.01	1.14
CHF	-0.80	-0.83	-0.74	-0.67	-0.53
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
3-Dec-18	GBP	Manufacturing PMI		51.6	51.1
3-Dec-18	USD	FOMC Member Williams Speaks			
3-Dec-18	USD	ISM Manufacturing PMI		57.5	57.7
4-Dec-18	GBP	BOE Gov Carney Speaks			
4-Dec-18	GBP	Construction PMI		52.5	53.2
5-Dec-18	EUR	ECB President Draghi Speaks			
5-Dec-18	GBP	Services PMI		52.5	52.2
5-Dec-18	USD	Fed Chair Powell Testifies			
7-Dec-18	USD	Average Hourly Earnings m/m		0.3%	0.2%
7-Dec-18	USD	Non-Farm Employment Change		200K	250K

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.84	2.86	2.88	3.05	3.33
Germany	-0.61	-0.55	-0.27	0.31	0.98
United Kingdom	0.75	0.76	0.94	1.36	2.07
Japan	-0.14	-0.14	-0.11	0.08	0.81

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	59.06	3.04	Dow Jones	25,538.46	0.79
Brent	62.48	5.08	Nikkei 225	22,656.65	1.37
West Texas	53.71	5.46	S&P 500	2,760.17	0.82
Gold	1,225.31	0.39	KuwaitSE	4,734.87	0.10

All information has been sourced from Bloomberg

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