

Highlights in the Foreign Exchange Market:

- Asian stock markets are mainly in negative territory today in spite of a positive close for Wall Street. On Tuesday, Wall Street was boosted by Netflix's latest earnings report. The Nasdaq and S&P both rose by 0.71% and 0.22% respectively. In Asia, the Nikkei is lower today by 0.77%, trading at 23,938.72. The downward momentum in the index is attributed to a stronger Japanese yen as the dollar index declined below the 90 level for the first time since the end of 2014.
- In Europe, consumer sentiment ascended to a near-record high this month thanks to robust economic data from the single currency area. The sentiment index of the euro-area increased 0.8 points to 1.3 and is well above the long term average. The index is within touching distance of its previous peak, reached in 2000. The latest data indicates that the European momentum still has room to move north and continuous spending advancements increases the probability that the pace of expansion in Europe may persist. The same trend in economic confidence was seen in Germany for the month of January. Economic sentiment was elevated to eight months high and the assessment of present situation hit an all-time high. The ZEW confidence index improved 3 points to 20.4 and the current assessment index added 5.9 points, coming at 95.2. Most importantly price growth index expectations in the euro-zone progressed to 57.5, up by 11.3 points.
- Reuters polls of over 500 economists suggested that the world economy is expected to expand at a strong pace this year and reach a level not witnessed in eight years as momentum builds in developed economies and inflation comes back to life. Major policy makers are anticipated to deviate from their loose monetary policy this year, while funding costs are still accommodative and should support growth. The global economy is predicted to grow 3.7% this year, the fastest since the 4.3% recorded in 2010.

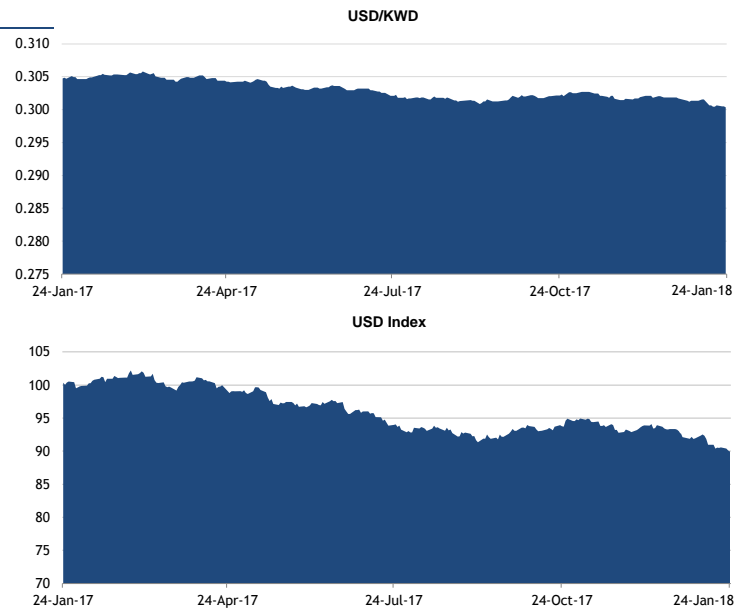


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2215	1.2265	1.2317	1.2370	1.2420
GBP	1.3920	1.3970	1.4022	1.4075	1.4125
JPY	108.95	109.45	109.96	110.45	111.00
CHF	0.9445	0.9505	0.9555	0.9605	0.9660

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.2297	2.71
GBP/USD	1.3999	3.86
USD/JPY	110.29	(2.44)
USD/CHF	0.9576	(2.00)

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8783	(1.18)
GBP/JPY	154.40	1.41
EUR/JPY	135.65	0.21
EUR/CHF	1.1777	0.67

Brief Technical Commentary

The EUR/USD pair moved up to the 1.2306 level during Tuesday's trading session and currently trading at 1.2317. EUR Resistance is at (1.2420-1.2460) any break above targets 1.2595. The pair is currently Bullish.

The USD/JPY pair moved down to the 110.23 level during Tuesday's trading session and currently trading at 109.96. USD/JPY Support is at (108.65-108.95) any break below targets 107.30. The pair is currently Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.38	1.69	1.88	2.13	2.38
USD	1.47	1.56	1.75	1.93	2.22
EUR	-0.42	-0.40	-0.38	-0.33	-0.26
GBP	0.48	0.50	0.53	0.58	0.78
CHF	-0.81	-0.80	-0.74	-0.64	-0.53
AUD	1.88	1.75	1.91	2.05	2.00

Economic Events

Date	Country	Event	Actual	Forecast	Previous
23-Jan-18	JPY	BoJ Monetary Policy Statement			
23-Jan-18	EUR	German ZEW Economic Sentimen	20.4	17.8	17.4
24-Jan-18	EUR	Flash Manufacturing PMI		60.4	60.6
24-Jan-18	EUR	Flash Services PMI		56.5	56.6
24-Jan-18	ALL	World Economic Forum			
24-Jan-18	GBP	Average Hourly Earnings		2.5%	2.5%
25-Jan-18	EUR	ECB Monetary Policy Statement			
26-Jan-18	GBP	Preliminary GDP q/q		0.4%	0.4%
26-Jan-18	USD	Advance GDP q/q		2.3%	2.1%
26-Jan-18	USD	Durable Goods Orders		06%	-0.1%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.75	2.06	2.42	2.62	2.90
Germany	-0.69	-0.61	-0.14	0.56	1.30
United Kingdom	0.39	0.56	0.86	1.35	1.85
Japan	-0.15	-0.14	-0.09	0.07	0.82

Commodities

Index	Last Price	% Change
Kuwait Oil	66.84	1.01
Brent	70.05	(0.03)
West Texas	64.40	(0.16)
Gold	1,342.23	0.03

Global Indices

Index	Last Price	Change
Dow Jones	26,210.81	(3.79)
Nikkei 225	23,968.24	(155.91)
S&P 500	2,839.13	6.16
KuwaitSE	6,631.00	0.87

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).