



Highlights in the Foreign Exchange Market:

- The Federal Reserve on Wednesday solidified its dovish policy u-turn amid signs of an economic slowdown. The Fed abandoned its projections for any interest rate hikes this year as well as halting the steady decline of its balance sheet in September. The central bank's decision to scale back its projected interest rate hikes this year could also reflect a combination of concerns about the international environment and financial market volatility.
- Benchmark U.S. stock market indexes swung higher after the Fed's statement was released before giving up the gains later in the trading session, and key Treasury security yields dropped to the lowest levels since early January. The dollar also weakened broadly against major trading partners' currencies.
- Theresa May is travelling to Brussels today in order to try and secure an extension from the EU. Updates on Wednesday night had shown that such an extension depends on MPs backing May's deal. European Council president Donald Tusk warned that the EU could only guarantee the short delay she seeks if MPs rapidly approve her divorce deal. May pleaded with Labor leader Jeremy Corbyn to help save her Brexit deal, while EU leaders prepared to issue their ultimatum to MPs (either back the PM's deal next week, or risk crashing out of the EU on March 29th). She is expected to make a third attempt to pass her deal on Tuesday or Wednesday, and on this round, failure could mean a cliff-edge exit next Friday.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1325	1.1375	1.1422	1.1475	1.1525
GBP	1.3115	1.3160	1.3211	1.3265	1.3315
JPY	109.45	109.95	110.48	110.95	111.55
CHF	0.9895	0.9945	0.9995	1.0045	1.0095

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1411	(0.41)	EUR/GBP	0.8649	(3.84)
GBP/USD	1.3196	3.61	GBP/JPY	146.09	4.28
USD/JPY	110.6800	0.19	EUR/JPY	126.36	(0.02)
USD/CHF	0.9925	0.98	EUR/CHF	1.1328	0.80

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1448 level during Wednesday's trading session and currently trading at 1.1422 EUR/USD. Resistance is at (1.1475-1.1525) any break above would take the pair up to 1.1620. Short term outlook is bullish, however medium term outlook is neutral.

GBP/USD: The pair moved down to the 1.3143 level during Wednesday's trading session and currently trading at 1.3211 GBP/USD. Support is at (1.3115-1.3160) any break below would take the pair down to 1.2945. Short term outlook is neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.00	2.44	2.69	2.88	3.13
USD	2.42	2.49	2.61	2.68	2.81
EUR	-0.45	-0.41	-0.33	-0.30	-0.17
GBP	0.70	0.73	0.84	0.97	1.11
CHF	-0.80	-0.79	-0.71	-0.65	-0.50
AUD	1.82	1.97	1.97	1.99	1.95

Economic Events

Date	Country	Event	Actual	Forecast	Previous
19-Mar-19	GBP	Average Earnings Index 3m/y	3.4%	3.2%	3.4%
19-Mar-19	EUR	German ZEW Sentiment	-3.6	-11.0	-13.4
20-Mar-19	GBP	CPI y/y	1.9%	1.8%	1.8%
20-Mar-19	USD	FOMC Meeting			
20-Mar-19	USD	Federal Funds Rate	<2.5%	<2.5%	<2.5%
21-Mar-19	CHF	SNB Monetary Policy Meeting			
21-Mar-19	GBP	BoE Monetary Policy Meeting			
21-Mar-19	GBP	Retail Sales m/m		-0.4%	1.0%
22-Mar-19	EUR	Flash Manufacturing PMI		49.6	49.3
22-Mar-19	EUR	Flash Services PMI		52.7	52.8

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.45	2.40	2.32	2.52	2.97
Germany	-0.57	-0.55	-0.38	0.08	0.73
United Kingdom	0.72	0.72	0.90	1.14	1.62
Japan	-0.17	-0.17	-0.17	-0.05	0.56

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	68.59	1.40	Dow Jones	25,745.67	(0.55)
Brent	68.79	(0.03)	Nikkei 225	21,608.92	0.10
West Texas	60.07	(0.17)	S&P 500	2,824.23	(0.29)
Gold	1,318.86	0.51	KuwaitSE	5,489.84	0.88

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).