

#### Highlights in the Foreign Exchange Market:

- Core inflation in Australia continued to evade the RBA's long-term target of 2-3% during the final quarter of 2017. The annual consumer price index ended the year at 1.9%, marking a period of eight straight quarters where inflation failed to live up to the central bank's target. Wage growth, which has recently slowed to historic lows, has been identified as the main culprit. Meanwhile, the Reserve Bank of Australia has continued to keep interest rates at an all-time low of 1.5% since 2016.
- Optimism of U.S. consumers proved greater than expected after the Consumer Confidence Index came at 125.4, a comfortable increase over the forecasted 123.2 and the upwardly revised 123.1 in December. Climbing towards the 17 year high of 129.5 reached in November, the upsurge followed tax cuts signed by President Donald Trump and a record run of the stock market. The higher sentiment will probably underpin household spending, which accounts for about 70 percent of U.S. economic activity.
- Data out of China indicated that manufacturing activity came in below expectations at 51.3. Even though the figure is above 50, indicating an expansion in the sector, it is a slowdown from December's level. After an unexpectedly strong year, analysts are predicting a cool down in the Chinese economy this year. On the other hand, the Chinese service industry saw accelerated growth in January, with the official non-manufacturing PMI rising to 55.3.



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2330	1.2375	<b>1.2426</b>	1.2475	1.2525
GBP	1.4075	1.4125	<b>1.4180</b>	1.4230	1.4285
JPY	107.75	108.25	<b>108.75</b>	109.20	109.75
CHF	0.9230	0.9280	<b>0.9332</b>	0.9385	0.9435

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2400	3.68	EUR/GBP	0.8765	(1.32)
GBP/USD	1.4145	5.00	GBP/JPY	153.86	1.36
USD/JPY	108.76	(3.55)	EUR/JPY	134.89	(0.01)
USD/CHF	0.9341	(4.31)	EUR/CHF	1.1582	(0.79)

#### Major Crosses

#### Brief Technical Commentary

The EUR/USD pair moved down to the 1.2333 level during Tuesday's trading session and currently trading at 1.2426. EUR Resistance is at (1.2525-1.2545) any break above targets 1.2670 and Support is at (1.2290-1.2330) any break below targets 1.2165. The pair is currently Neutral.

The USD/JPY pair moved up to the 109.20 level during Tuesday's trading session and currently trading at 108.75. USD/JPY Resistance is at (109.75-109.95) any break above targets 110.95 and Support is at (107.75-108.05) any break below targets 106.90. The pair is currently Neutral.

#### 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	1.57	1.77	1.97	2.26
EUR	-0.42	-0.41	-0.38	-0.34	-0.26
GBP	0.49	0.49	0.52	0.60	0.80
CHF	-0.81	-0.80	-0.75	-0.65	-0.53
AUD	1.95	1.93	2.00	2.07	2.00

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
30-Jan-18	USD	Core PCE Price Index m/m	0.2%	0.2%	0.1%
31-Jan-18	AUD	CPI q/q	0.6%	0.7%	0.6%
31-Jan-18	USD	ADP Non-Farm Employment Change		191K	250K
31-Jan-18	CAD	GDP m/m			0.0%
31-Jan-18	USD	Federal Funds Rate		<1.50%	<1.50%
1-Feb-18	USD	ISM Manufacturing PMI		59.0	59.7
1-Feb-18	GBP	Manufacturing PMI		56.6	56.3
2-Feb-18	USD	Average Hourly Earnings m/m		0.3%	0.3%
2-Feb-18	USD	Non-Farm Employment Change		184K	148K
2-Feb-18	GBP	Construction PMI		52.1	52.2

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.88	2.11	2.49	2.71	2.96
Germany	-0.64	-0.54	-0.02	0.69	1.35
United Kingdom	0.36	0.60	0.97	1.46	1.90
Japan	-0.15	-0.14	-0.09	0.08	0.81

#### Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	65.43	(1.53)	Dow Jones	26,076.89	(362.59)
Brent	67.46	(0.03)	Nikkei 225	23,203.49	(88.48)
West Texas	64.59	(0.15)	S&P 500	2,822.43	(31.10)
Gold	1,343.30	0.32	KuwaitSE	6,654.71	(9.32)

All information has been sourced from Reuters

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