

#### Highlights in the Foreign Exchange Market:

- The US Federal Reserve is expected to go forward with further gradual hikes in interest rates if the US economy stays on track. Almost all policymakers had agreed on the plan as indicated in the latest minutes, with a further quarter point rise expected at the upcoming meeting on December 19. The current Federal Fund rate is at 2-2.5%. Federal Reserve chairman Jerome Powell declared US interest rates are closing in on "neutral levels", sparking the best day for equity markets since March as investors interpreted a slowdown in the rate-rising program. Given that rates are hovering "just below" estimates of neutral, the Fed chair explained that there is "no present policy path" and that the central bank "will be paying very close attention to what incoming economic and financial data are telling us."
- The Bank of England published its economic analysis of the deal, comparing it with the cost of a disorderly "no-deal" exit. Government economists had calculated that if May's deal comes forward, Britain would be 3.9% worse off in 15 years' time than if it had remained in the EU. While this does not sound like a good outcome, the BoE warned that in a cliff-edge Brexit where the UK crashes out of the EU with no deal and no transition, could lead to the sharpest drop in national income since the Second World War. GDP could fall as much as 10.5% over a 5 year period, compared to pre-referendum levels, and house prices could plummet 30%. This compares to a respective drop of 6.25% and 17% during the financial crisis.

Dollar Index  
YTD Performance



GBP/USD  
YTD Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1115	1.1215	1.1315	1.1425	1.1520
GBP	1.2550	1.2655	1.2757	1.2860	1.2955
JPY	111.45	112.35	113.46	114.55	115.50
CHF	0.9775	0.9875	0.9987	1.0085	1.0190

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1393	-5.73	EUR/GBP	0.8909	0.07
GBP/USD	1.2791	-5.65	GBP/JPY	145.15	5.14
USD/JPY	113.48	-0.77	EUR/JPY	129.29	5.33
USD/CHF	0.9961	-2.37	EUR/CHF	1.13	3.49

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1302 level during Friday's trading session and closed for the week at 1.1315. EUR/USD Support is at (1.1115-1.1215) 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 113.29 level during Friday's trading session and closed for the week at 113.46. USD/JPY Resistance is at (114.55-115.50) any break above would take the pair to 116.50. 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	2.79	2.80	2.81	2.99	3.29
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	-0.13	-0.11	0.08	0.80

#### 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	59.46	-0.75	Nikkei 225	22,351.06	0.40
West Texas	50.93	-1.01	S&P 500	2,760.17	0.82
Gold	1,220.52	-0.30	KuwaitSE	4,730.00	-0.22

All information has been sourced from Bloomberg

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