

Highlights in the Foreign Exchange Market:

- Manufacturing in China unexpectedly rebounded higher in November for the first time in seven months. The Purchasing Managers' Index (PMI) rose to 50.2 in November versus 49.3 in October, slightly above the 50-point mark that separates growth from contraction on a monthly basis. However, the gains could be reversed if the US China trade war continues without resolution.
- German retail sales fell in October data showed on Friday, suggesting that private consumption in Europe's largest economy took a pause for breath before the Christmas shopping season. Retail sales in Germany dropped by 1.9% on monthly basis, the biggest drop since December of last year. However retail sales rose by 0.8% on yearly basis. Euro area annual inflation is expected to be at 1.0% up from 0.7% in October as per the flash estimate from Eurostat.
- In Commodities, OPEC and its allies are due to meet on December 5-6 where the producers are expected to extend their output cut. The current pact runs until March 2020. In related news, Reuters reported that OPEC oil output has fallen in November as Angolan production has slipped due to maintenance and Saudi Arabia has kept a lid on supply to support the market before the initial public offering (IPO) of state-owned Saudi Aramco.

Brent Crude Performance



China's Manufacturing PMI

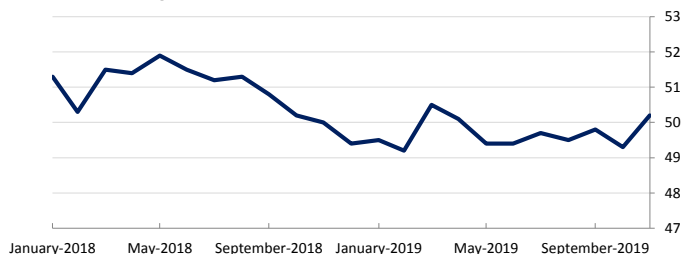


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0820	1.0915	1.1015	1.1115	1.1210
GBP	1.2730	1.2825	1.2923	1.3015	1.3125
JPY	107.55	108.50	109.51	110.50	111.55
CHF	0.9800	0.9900	0.9998	1.0100	1.0200

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1009	-3.92	EUR/GBP	0.8528	5.52
GBP/USD	1.2912	1.34	GBP/JPY	141.40	-1.16
USD/JPY	109.51	0.18	EUR/JPY	120.55	4.33
USD/CHF	0.9986	-1.81	EUR/CHF	1.10	2.15

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1028 level during Friday's trading session and closed for the week at 1.1015. EUR/USD Supports are at (1.0820-1.0915) any break below would take the pair down to 1.0875. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2947 level during Friday's trading session and closed the week at 1.2833. GBP/USD Supports are at (1.2730-1.2825) any break below would take the pair down to 1.2610. Short term outlook is Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	2.56	2.75	2.94	3.19
USD	1.59	1.70	1.91	1.90	1.95
EUR	-0.54	-0.52	-0.43	-0.39	-0.29
GBP	0.69	0.71	0.79	0.86	0.95
CHF	-0.80	-0.83	-0.72	-0.66	-0.52
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-Dec-19	EUR	Final Manufacturing PMI		46.6	46.6
2-Dec-19	EUR	Final Manufacturing PMI		48.3	48.3
2-Dec-19	EUR	ECB President Lagarde Speaks			
2-Dec-19	USD	ISM Manufacturing PMI		49.2	48.3
3-Dec-19	AUD	Cash Rate		0.75%	0.75%
4-Dec-19	EUR	Final Services PMI		51.5	51.5
4-Dec-19	GBP	Final Services PMI		48.6	48.6
6-Dec-19	USD	Average Hourly Earnings m/m		0.3%	0.2%
6-Dec-19	USD	Non-Farm Employment Change		189K	128K
6-Dec-19	USD	Unemployment Rate		3.6%	3.6%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	1.61	1.61	1.63	1.78	2.21
Germany	-0.65	-0.67	-0.59	-0.36	0.14
United Kingdom	0.54	0.50	0.51	0.69	1.21
Japan	-0.18	-0.19	-0.19	-0.09	0.40

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	62.24	-4.88	Dow Jones	28,051.41	0.40
Brent	60.49	-4.39	Nikkei 225	23,293.91	0.49
West Texas	55.17	-5.06	S&P 500	3,140.98	0.40
Gold	1,463.98	0.53	KuwaitSE	5,928.27	0.84

All information has been sourced from Bloomberg

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 FAX +965 2241 9720.