

Highlights in the Foreign Exchange Market:

- Asian equities followed the footsteps of Wall Street and opened the trading session with massive losses with the Nikkei index losing 4.60% during midmorning trade. In Wall Street, equities extended their bearish movement sending all three major US indexes, Dow Jones, S&P and Nasdaq, to double digit YTD losses. US President Donald Trump went at the Federal Reserve blaming them for the plunge in the stock market. Investors were nervous on Monday after news revealed that Secretary Steven Mnuchin called a crisis meeting with financial regulators. The Secretary tried to calm market nervousness after a report indicated that the president desires to expel the FED chairman, while a government shutdown seems set to persist into the New Year.
- In the FX sphere, the US dollar was trading in a weaker manner across the board on Monday, pressured by concerns over a partial government shutdown in the US. President Trump's chief of staff stated that the shutdown might persist until January the 3rd, when the new Congress assembles and Democrats take control of the House of Representatives, which has alarmed financial markets. Moreover, foreign exchange fluctuations may have intensified as liquidity shrinks with most global markets preparing to close down for Christmas. The dollar index lost 0.40% of its value in yesterday's session versus a basket of currencies. Hence, Sterling pound gaining 0.46%, the euro rose by 0.30% and the safe haven Japanese yen soared by 0.43%.
- This week's economic calendar is extremely light and thus all eyes will be towards politics. US government shutdown, Brexit, unresolved trade tensions, expectations of a weaker global growth and extremely thin liquidity in financial markets could produce further volatility.

US Dollar Index
YTD Performance



Dow Jones Index
YTD Performance

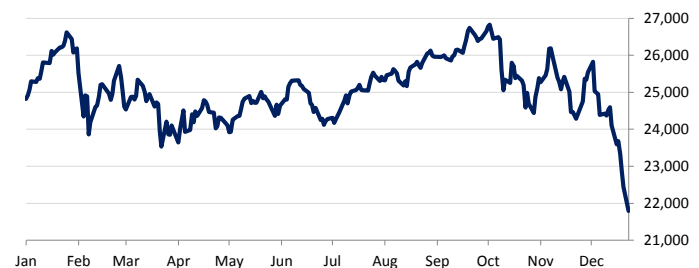


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1335	1.1370	1.1414	1.1445	1.1500
GBP	1.2600	1.2650	1.2692	1.2740	1.2800
JPY	109.35	109.75	110.23	110.80	111.30
CHF	0.9780	0.9830	0.9850	0.9895	0.9930

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1406	-4.91	EUR/GBP	0.8970	(1.21)
GBP/USD	1.2706	-6.03	GBP/JPY	140.24	8.85
USD/JPY	110.45	2.31	EUR/JPY	125.96	7.60
USD/CHF	0.9863	-1.14	EUR/CHF	1.13	4.01

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1438 level during Monday's trading session and currently trading at 1.1414. EUR/USD Support is at (1.1335-1.1370) any break below would take the pair to 1.1270. 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 110.07 level this morning and currently trading at 110.23. USD/JPY Support is at (109.35-109.75) any break below targets 108.20. Short term and medium term outlook are Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	2.00	2.25	2.50	2.75
USD	2.42	2.51	2.82	2.91	3.07
EUR	-0.43	-0.41	-0.35	-0.31	-0.18
GBP	0.71	0.73	0.91	1.04	1.17
CHF	-0.86	-0.84	-0.73	-0.66	-0.51
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
26-Dec-18	JPY	Monetary Policy Meeting Minutes			
26-Dec-18	JPY	BOJ Core CPI y/y		0.6%	0.6%
27-Dec-18	JPY	BOJ Gov Kuroda Speaks			
27-Dec-18	USD	CB Consumer Confidence		133.0	135.7
27-Dec-18	USD	New Home Sales		569k	544K
28-Dec-18	EUR	German Prelim CPI m/m		0.3%	0.1%
28-Dec-18	JPY	Unemployment Rate		2.4%	2.4%
28-Dec-18	USD	Goods Trade Balance		-75.5B	-77.0B
28-Dec-18	USD	Chicago PMI		61.2	66.4
28-Dec-18	USD	Pending Home Sales m/m		1.1%	-2.6%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.55	2.55	2.58	2.74	2.99
Germany	-0.63	-0.58	-0.31	0.24	0.86
United Kingdom	0.71	0.70	0.87	1.26	1.78
Japan	-0.15	-0.16	-0.15	0.01	0.70

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	53.06	-0.45	Dow Jones	21,792.20	-2.91
Brent	50.47	-6.22	Nikkei 225	19,238.21	-4.60
West Texas	42.53	-6.71	S&P 500	2,351.10	-2.71
Gold	1,268.54	-0.05	KuwaitSE	4,719.01	0.09

All information has been sourced from Bloomberg

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