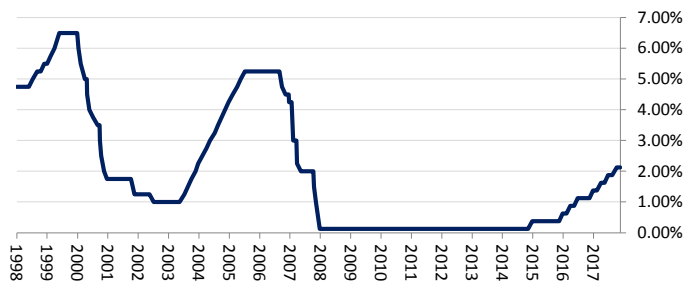


Highlights in the Foreign Exchange Market:

- All eyes are on the US Central Bank ahead of their Wednesday meeting where they are widely expected to raise interest rates for the fourth time this year. This time however, the rate decision will not be the main point of focus. Markets will be looking closely for any signals towards the Fed's 2019 hike path. Recently, Fed Chairman Powell's comments that the level of interest rates are "just below neutral," was taken by some investors as a sign that the Fed was preparing to use this week's meeting as a chance to dial back its projections for how much further it will raise rates next year. Still, some market participants continue to believe that an economy running hot will mean sustained price pressure, and three rate hikes could remain the most plausible path.
- Meanwhile in the UK, the Brexit saga continues to dominate both the economic and political scenes. The pound saw one of its worst trading days of the year last week after UK Prime Minister Theresa May's decision to postpone a parliamentary vote on the government's Brexit deal. This drove the pound to its lowest levels against the dollar since April 2017.
- In Italy, the government finally agreed to trim its deficit target for next year to 2.04%. The new proposal is intended to be within "limits that should please the EU". Initially, the coalition government clashed with the European Union over the former's original budget plan which aimed at a budget deficit of 2.4%. Even though the original proposal was in-line with an EU maximum of 3%, the figure was deemed too close for comfort. This was not helped by the fact that Italy holds one of the worst debt-to-GDP ratios in the EU.

Fed Rate Since 1998



FX GBP/USD & EUR/USD



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1215	1.1265	1.1310	1.1370	1.1415
GBP	1.2475	1.2530	1.2581	1.2630	1.2685
JPY	112.45	112.95	113.45	113.95	114.50
CHF	0.9875	0.9925	0.9978	1.0030	1.0085

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1307	(5.72)	EUR/GBP	0.8982	1.18
GBP/USD	1.2583	(6.87)	GBP/JPY	142.66	(6.14)
USD/JPY	113.37	0.70	EUR/JPY	128.16	(5.05)
USD/CHF	0.9976	2.35	EUR/CHF	1.1280	(3.47)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1266 level during Friday's trading session and currently trading at 1.1309. EUR/USD Support is at (1.1215-1.1265) 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.

GBP/USD: The pair moved down to the 1.2527 level during Friday's trading session and currently trading at 1.2581. GBP/USD Support is at (1.2475-1.2530) any break below would take the pair to 1.2375. Short term outlook is Bearish. However, if the pair breaks above the 1.2685 level it will turn neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.38	1.88	2.13	2.38	2.63
USD	2.28	2.46	2.80	2.90	3.10
EUR	-0.43	-0.41	-0.36	-0.32	-0.21
GBP	0.71	0.73	0.90	1.03	1.16
CHF	-0.80	-0.82	-0.73	-0.65	-0.52
AUD	1.75	2.43	2.21	2.19	2.30

Economic Events

Date	Country	Event	Actual	Forecast	Previous
19-Dec-18	GBP	CPI y/y		2.3%	2.4%
19-Dec-18	CAD	CPI m/m		-0.1%	0.3%
19-Dec-18	USD	FOMC Statement			
19-Dec-18	USD	Federal Funds Rate		<2.5%	<2.25%
19-Dec-18	NZD	GDP q/q		0.6%	1.0%
19-Dec-18	JPY	BOJ Policy Rate		-0.10%	-0.10%
20-Dec-18	GBP	Retail Sales m/m		0.3%	-0.5%
20-Dec-18	GBP	Monetary Policy Summary			
21-Dec-18	GBP	Current Account		-22.2Bn	-2.03Bn
21-Dec-18	USD	Final GDP q/q		3.5%	3.5%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.66	2.74	2.74	2.89	3.15
Germany	-0.67	-0.62	-0.28	0.25	0.89
United Kingdom	0.72	0.71	0.86	1.25	1.80
Japan	-0.19	-0.16	-0.14	0.02	0.77

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	59.15	(1.27)	Dow Jones	24,100.51	(2.02)
Brent	58.50	(0.03)	Nikkei 225	21,506.88	0.62
West Texas	51.21	(0.19)	S&P 500	2,599.95	(1.91)
Gold	1,237.14	(0.08)	KuwaitSE	5,153.98	(0.90)

All information has been sourced from Reuters.

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