

#### Highlights in the Foreign Exchange Market:

- Concerns over US-China trade relations increased as investors worried about the durability of the truce made between Washington and Beijing, even following a somewhat successful meeting between the world leaders. On Tuesday, Trump reignited concern as he wrote on Twitter that he would be charging major tariffs against Chinese products being shipped into the US if an agreement is not made, triggering a selloff in global stocks. The S&P 500 closed 3.2% lower, while the Nasdaq dropped 3.8% with industrials, technology, and financial stocks taking the lead as worst performers. In Asia, the CSI 300 index of major Shanghai and Shenzhen stocks were down 1.3%, the Hang Seng index was down 1.7%, and Tokyo's Topix shed 0.9%. The difference between the 2 and 10 year Treasury yields dropped to under 12 basis points, a gap not witnessed in 11 years.
- In the UK, Prime Minister Theresa May continues to struggle to get her Brexit deal through Parliament. A majority of MPs are against the UK leaving the EU without a deal, raising the possibility of a second referendum. The government has lost a vote on an amendment which gives more power to the Parliament to shape Brexit if lawmakers reject May's deal – a prospect seeming highly likely. Adding to Ms May's defeat, her government was found in contempt for failure to hand over its Brexit legal advice as MPs had previously demanded. The 311 to 293 vote against the government marks the first time in British history that a government has been found in contempt. The Sterling has continued a trend of volatility over the past 20 months of Brexit negotiations, dropping around 11% year to date against the US dollar.

S&P 500  
3-Month Performance



GBP/USD  
Year to Date Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1215	1.1265	1.1324	1.1375	1.1425
GBP	1.2585	1.2655	1.2694	1.2755	1.2805
JPY	112.00	112.55	112.99	113.50	114.05
CHF	0.9895	0.9945	0.9994	1.0050	1.0105

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1344	(5.66)	EUR/GBP	0.8916	0.46
GBP/USD	1.2718	(6.18)	GBP/JPY	143.41	(5.77)
USD/JPY	112.77	0.34	EUR/JPY	127.91	(5.35)
USD/CHF	0.9973	2.65	EUR/CHF	1.1314	(3.15)

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1420 level during Tuesday's trading session and currently trading at 1.1324. 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.

USD/JPY: The pair moved down to the 112.56 level during Tuesday's trading session and currently trading at 112.99 USD/JPY Resistance is at (114.05-114.55) any break above would take the pair to 115.50. 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	1.31	1.88	2.13	2.38	2.63
USD	2.23	2.38	2.74	2.90	3.13
EUR	-0.44	-0.41	-0.34	-0.33	-0.22
GBP	0.71	0.74	0.90	1.02	1.15
CHF	-0.79	-0.84	-0.74	-0.66	-0.53
AUD	1.56	2.59	2.18	2.20	2.30

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
3-Dec-18	GBP	Manufacturing PMI	53.1	51.6	51.1
3-Dec-18	USD	FOMC Member Williams Speaks			
3-Dec-18	USD	ISM Manufacturing PMI	59.3	57.5	57.7
4-Dec-18	GBP	BOE Gov Carney Speaks			
4-Dec-18	GBP	Construction PMI	53.4	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	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.69	2.80	2.79	2.91	3.17
Germany	-0.70	-0.63	-0.34	0.25	0.90
United Kingdom	0.73	0.73	0.88	1.28	1.92
Japan	-0.16	-0.14	-0.12	0.06	0.79

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	60.51	(2.92)	Dow Jones	25,027.07	(3.10)
Brent	61.24	(0.03)	Nikkei 225	21,887.14	(0.68)
West Texas	53.16	(0.19)	S&P 500	2,700.06	(3.24)
Gold	1,235.13	(0.24)	KuwaitSE	5,140.97	(0.90)

All information has been sourced from Reuters.

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