

Highlights in the Foreign Exchange Market:

- The Federal Reserve minutes from December's meeting revealed that "many participants expressed the view that, especially in an environment of muted inflation pressures, the committee could afford to be patient about further policy firming." Additionally, "participants expressed that recent developments, including the volatility in financial markets and the increased concerns about global growth, made the appropriate extent and timing of future policy firming less clear than earlier," the minutes said. After the report, the dollar index, which tracks the greenback against major currencies, hit its lowest level in nearly three months.
- Meanwhile, US treasury yields and global equities traded in a positive manner on Wednesday, supported by diminishing concerns over the trade war theme. The two largest economies concluded trade negotiations yesterday; while trade representatives stated that the details will be released soon, elevating hopes for evading an all-out trade war that might badly disrupt the global economy. The 10-year yield rose to the highest level since 28th of December to 2.747%. As for equities, US stock markets have been trading in the green-zone for the past four sessions. The two main factors underpinning US equities are a more conservative FED in terms of interest rate hikes and the improving global trade relations. All major indices closed on the positive side on Wednesday.
- In the commodities world, the positive momentum seen on the trade front also benefited oil prices, which have been on an upward momentum for the past 8 days. Looking at fundamentals, oil prices have also risen due to the supply side as OPEC and its allies are pumping 1.2 million less barrels per day since the start of the year. Both Brent Crude and WTI gained more than 2% on Wednesday. As a result, commodity currencies like the Australian dollar and the Canadian dollar were lifted. Both the AUD and the CAD appreciated around 0.5% versus the greenback.

GBP/USD & EUR/USD
6-Month Performance



Brent Crude
6-Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1455	1.1500	1.1559	1.1610	1.1675
GBP	1.2675	1.2730	1.2782	1.2835	1.2885
JPY	106.85	107.35	107.93	108.40	108.95
CHF	0.9615	0.9665	0.9717	0.9770	0.9825

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1541	0.73	EUR/GBP	0.9025	0.61
GBP/USD	1.2788	0.18	GBP/JPY	138.30	(1.49)
USD/JPY	108.16	(2.11)	EUR/JPY	124.83	(1.19)
USD/CHF	0.9743	(0.83)	EUR/CHF	1.1246	(0.06)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1554 level during Wednesday's trading session and currently trading at 1.1559. EUR/USD Resistance is at (1.1675-1.1725) any break above would take the pair to 1.1855. Short term outlook is bullish; however medium term outlook remains neutral.

USD/JPY: The pair moved down to the 107.95 level during Wednesday's trading session and currently trading at 107.93. USD/JPY Resistance is at (108.40-108.95) any break above targets 110.40. Short term and medium term outlook are neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.81	2.19	2.44	2.69	2.94
USD	2.41	2.52	2.80	2.87	3.04
EUR	-0.45	-0.42	-0.34	-0.30	-0.17
GBP	0.70	0.73	0.90	1.03	1.18
CHF	-0.81	-0.78	-0.70	-0.63	-0.49
AUD	1.77	1.83	2.04	2.15	2.33

Economic Events

Date	Country	Event	Actual	Forecast	Previous
7-Jan-19	USD	ISM Non-Manufacturing PMI	57.6	59.6	60.7
8-Jan-19	CAD	Trade Balance	-2.1B	-1.9B	-1.2B
9-Jan-19	CAD	Overnight Rate	1.75%	2.00%	1.75%
9-Jan-19	GBP	BOE Gov Carney Speaks			
9-Jan-19	USD	FOMC Meeting Minutes			
10-Jan-19	USD	Fed Chair Powell Speaks			
11-Jan-19	GBP	GDP m/m		0.1%	0.1%
11-Jan-19	GBP	Manufacturing Production m/m		0.4%	-0.9%
11-Jan-19	USD	CPI m/m		-0.1%	0.0%
11-Jan-19	USD	Core CPI m/m		0.2%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.58	2.53	2.53	2.70	3.00
Germany	-0.62	-0.59	-0.32	0.21	0.86
United Kingdom	0.73	0.73	0.88	1.25	1.77
Japan	-0.16	-0.15	-0.15	0.02	0.69

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	59.41	1.78	Dow Jones	23,879.12	0.39
Brent	59.25	(0.03)	Nikkei 225	20,172.83	(1.24)
West Texas	52.14	(0.19)	S&P 500	2,584.96	0.41
Gold	1,295.01	0.15	KuwaitSE	5,183.64	0.24

All information has been sourced from Reuters.

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