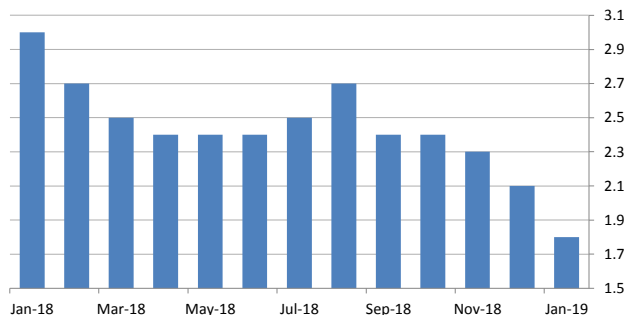


Highlights in the Foreign Exchange Market:

- US markets are back from an extended holiday with the S&P rising around 1% the past week mainly due to higher housing activity and a release by Walmart Inc of strong profit. Even so, gains remained modest as the March 1st deadline for a deal between the world's two largest economies approaches. Adding another layer of complexity, the US is asking China to keep the value of the yuan stable as part of the trade negotiations - aimed at defusing efforts by China to counter American tariffs. Negotiations will resume today and are scheduled to continue through to the deadline.
- The meeting between UK Prime Minister Theresa May and European Commission President Jean-Claude Juncker scheduled today will be noteworthy given that an agreed Brexit draft is to be prepared by Thursday. Juncker claimed he is not expecting huge results from his meeting with May, adding that he is still unsure what the UK wants. The sterling has remained volatile since the 2016 Brexit vote, most recently recovering from its drop last week. The GBP/USD pair rose 1.6% this past week, currently trading at around the 1.3055 level.
- Brexit may not have much of an effect on the UK labor market as employment hit its highest ever level with a record 32.6 million employed between October and December. Unemployment was little changed in the same period at 1.36 million, maintaining the jobless rate at its lowest level since 1975 at 4%. Weekly average earnings rose to the highest level since 2011 by 3.4% in the year to December, outpacing inflation which was last seen at 2.1% for the same period. The CPI figures were the lowest in nearly two years and close to the 2% target set by the BoE, which may mean the bank is less likely to consider any rate rises in the near future. The job figures reveal a vigorous labor market despite the loss of momentum in the economy towards the end of the year. Nonetheless, demand in the labor market tends to lag significantly and the Brexit effect might still be seen in the next batch of official data.

UK Consumer Price Index
1 Year Performance



GBP/USD
2 Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1240	1.1295	1.1345	1.1400	1.1450
GBP	1.2955	1.3005	1.3061	1.3110	1.3155
JPY	109.85	110.30	110.81	111.30	111.80
CHF	0.9915	0.9965	1.0015	1.0065	1.0115

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1340	(1.14)	EUR/GBP	0.8679	(3.34)
GBP/USD	1.3062	2.33	GBP/JPY	144.49	3.33
USD/JPY	110.61	0.53	EUR/JPY	125.44	(0.42)
USD/CHF	1.0010	2.04	EUR/CHF	1.1353	0.91

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1357 level during Wednesday's trading session and currently trading at 1.1345 EUR/USD Support is at (1.1215-1.1240) any break below would take the pair to 1.1015. Short term outlook is slightly bullish however the medium term outlook remains bearish.

GBP/USD: The pair moved up to the 1.3073 level during Wednesday's trading session and currently trading at 1.3061 GBP/USD Resistance is at (1.3155-1.3215) any break above would take the pair to 1.3300. Short term outlook is slightly bullish however the medium term outlook remains bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.00	2.38	2.63	2.88	3.06
USD	2.41	2.48	2.64	2.74	2.89
EUR	-0.45	-0.41	-0.35	-0.29	-0.17
GBP	0.70	0.73	0.87	0.99	1.12
CHF	-0.80	-0.78	-0.72	-0.66	-0.52
AUD	1.78	1.85	2.07	2.17	2.15

Economic Events

Date	Country	Event	Actual	Forecast	Previous
19-Feb-19	AUD	RBA Monetary Policy Minutes			
19-Feb-19	GBP	Average Earnings Index	3.4%	3.5%	3.4%
19-Feb-19	GBP	Unemployment Rate	4.0%	4.0%	4.0%
19-Feb-19	EUR	German ZEW Sentiment	-13.4	-14.1	-15.0
20-Feb-19	USD	FOMC Meeting Minutes			
21-Feb-19	AUD	Unemployment Rate		5.0%	5.0%
21-Feb-19	EUR	ECB Monetary Policy Minutes			
21-Feb-19	USD	Core Durable Goods		0.2%	-0.4%
22-Feb-19	EUR	German Ifo Business Climate		99	99.1
22-Feb-19	EUR	ECB Gov Draghi Speaks			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.52	2.49	2.47	2.64	2.98
Germany	-0.59	-0.58	-0.40	0.10	0.74
United Kingdom	0.74	0.73	0.82	1.17	1.70
Japan	-0.20	-0.19	-0.18	-0.04	0.57

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	66.37	0.21	Dow Jones	25,891.32	0.03
Brent	66.40	(0.03)	Nikkei 225	21,392.74	0.42
West Texas	56.07	(0.18)	S&P 500	2,779.76	0.15
Gold	1,341.60	0.04	KuwaitSE	5,225.53	0.67

All information has been sourced from Reuters.

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