

Highlights in the Foreign Exchange Market:

- US President Donald Trump has agreed to temporarily end the historic 35-day governmental shutdown with no funding for his proposed border wall. On Friday, the president announced that he had agreed towards a measure to re-open the government for three weeks while he discusses funding with lawmakers. The conflict over the Mexican border wall funding had kept 800,000 federal employees without pay as Trump battled for his 2016 campaign promise. Nevertheless, Trump reiterated his stance stating, "If we don't get a fair deal from Congress, the government will either shut down on February 15 again, or I will use the power afforded to me under the laws and the constitution of the United States to address this emergency. We will have great security."
- Existing home sales - a key pillar of economic growth for the US given that it makes up about 90% of home sales - fell to its lowest level since November 2015. According to the National Association of Realtors, data on Tuesday revealed existing home sales tumbled 6.4% month-on-month in December to an annualized pace of 4.99m. The data follows a 2.1% increase in November to an annualized pace of 5.33m. The drop is mainly attributed to higher mortgage rates and tightening inventory, which has weighed on the housing market despite the strength in the US labor market and improving wages.
- The European Central Bank left its policy unchanged on Thursday in the face of weaker momentum across the Eurozone. The benchmark interest rate was left untouched at 0%, and the rate of bank's deposits at the ECB stayed at -0.4%. The bank once again stated it would keep reinvesting the bonds bought under the €2.6tn QE program which are now maturing. ECB president Mario Draghi explained that "risks surrounding the euro area growth outlook have moved to the downside", and pointed to an increase in general uncertainty as the cause. Eurozone growth fell to its lowest level in four years in the third quarter of 2018, and data published since then have proved disappointing. The euro hit a 2 month low of 1.1305 as Draghi spoke and later recovered 0.92% to a weekly high of 1.1412.

USD/KWD
3 Month Performance



EUR/USD
3 Month Performance

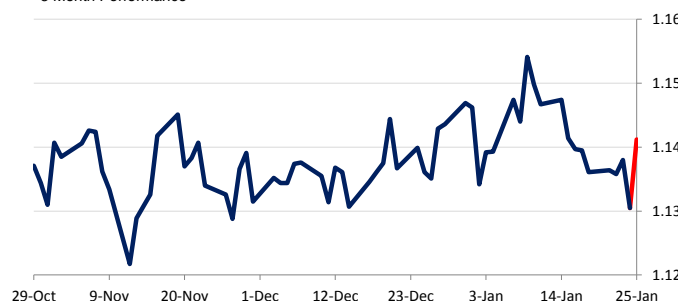


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1215	1.1310	1.1412	1.1515	1.1620
GBP	1.3010	1.3105	1.3199	1.3305	1.3410
JPY	107.50	108.55	109.53	110.50	111.55
CHF	0.9735	0.9830	0.9929	1.0030	1.0125

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1412	(0.50)	EUR/GBP	0.8639	(3.78)
GBP/USD	1.3201	3.46	GBP/JPY	144.55	3.22
USD/JPY	109.53	(0.66)	EUR/JPY	124.93	(1.92)
USD/CHF	0.9929	1.17	EUR/CHF	1.1326	0.64

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1419 level during Friday's trading session and closed the week at 1.1312. EUR/USD Support is at (1.1215-1.1310) any break below would take the pair to 1.1140. Short term and medium term outlook are Neutral.

USD/JPY: The pair moved up to the 109.95 level during Friday's trading session and closed the week at 109.53. USD/JPY Support is at (107.50-108.55) any break below targets 106.75. Short term and medium term outlook are Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.88	2.25	2.56	2.75	3.06
USD	2.40	2.50	2.75	2.83	3.03
EUR	-0.44	-0.42	-0.33	-0.29	-0.17
GBP	0.70	0.73	0.92	1.04	1.17
CHF	-0.81	-0.78	-0.70	-0.64	-0.51
AUD	1.87	1.90	2.08	2.26	2.24

Economic Events

Date	Country	Event	Actual	Forecast	Previous
28-Jan-19	EUR	ECB President Draghi Speaks			
28-Jan-19	GBP	BOE Gov Carney Speaks			
29-Jan-19	USD	CB Consumer Confidence		125.0	128.1
29-Jan-19	AUD	CPI q/q		0.4%	0.4%
30-Jan-19	USD	FOMC Statement			
30-Jan-19	USD	Federal Funds Rate		<2.5%	<2.5%
31-Jan-19	CAD	GDP m/m			0.3%
1-Feb-19	USD	Average Hourly Earnings m/m		0.3%	0.4%
1-Feb-19	USD	Non-Farm Employment Change		165K	312K
1-Feb-19	USD	Unemployment Rate		3.8%	3.9%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.58	2.61	2.60	2.76	3.07
Germany	-0.59	-0.60	-0.34	0.19	0.77
United Kingdom	0.82	0.80	0.95	1.32	1.80
Japan	-0.19	-0.18	-0.17	-0.01	0.65

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	60.83	0.55	Dow Jones	24,737.20	0.75
Brent	61.93	(0.03)	Nikkei 225	20,773.56	0.97
West Texas	53.48	(0.19)	S&P 500	2,664.76	0.85
Gold	1,303.14	1.76	KuwaitSE	5,241.45	0.09

All information has been sourced from Reuters.

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