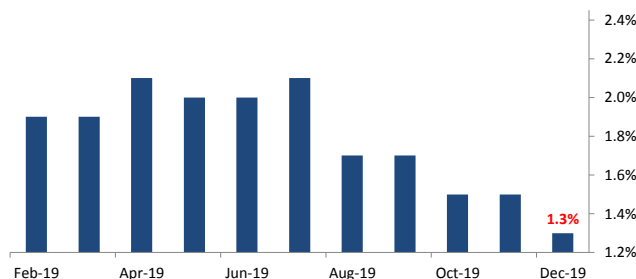


Highlights in the Foreign Exchange Market:

- The US and China have signed what they announced as the first phase of a broader trade pact. The deal obligates China to address the theft of American technology and corporate secrets by its companies and state entities. It also binds Beijing to avoid currency manipulation and will outline a \$200 billion spending spree to attempt to close the trade imbalance with the US. "This is a very important and remarkable occasion," Trump said. Fixing what he sees as the injustices of past trade deals is "probably the biggest reason why I ran for president," he added. "Together we are righting the wrongs of the past." Stocks in Asia were mixed following the news while US stocks recorded new highs. The S&P 500 hit a record high yet again in yesterday's trading reaching 3,298, while the Dow Jones followed a similar path also reaching a record high of 29,127.
- US crude stockpiles rose unexpectedly last week and gasoline inventories surged according to the Energy Information Administration. Crude inventories rose by 1.2 million barrels in the week ending January 3rd to 431.1 million barrels. This followed expectations of a 3.6 million barrel drop. Gasoline stocks surprised as well, rising by 9.1 million in the week to 251.6 million barrels, compared with expectations of a 2.7 million-barrel rise. Prices slipped on the data as the market was already backtracking from recent gains spurred from US-Iran tensions.
- In the UK, inflation figures revealed a drop to its lowest level in more than three years in December, moving further away from the BOE's 2% target. The figures raise expectations for an interest rate cut at the end of the month. Consumer prices came in 1.3% higher than a year ago, dropping from the 1.5% in the previous two months. Core inflation - which excludes energy, food, and alcohol and is therefore a less volatile measure - slowed to 1.4% in December from 1.7% in November.



Brent Crude
 3 Month Performance

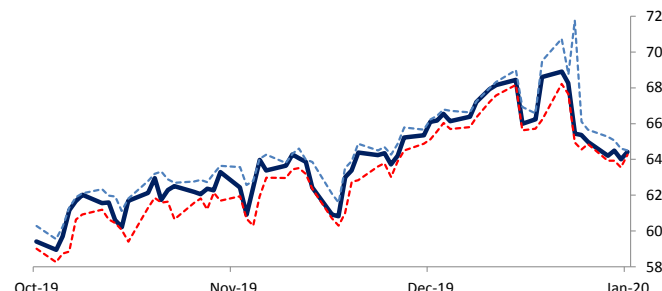


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1050	1.1100	1.1151	1.1205	1.1255
GBP	1.2945	1.3000	1.3051	1.3110	1.3160
JPY	108.90	109.40	109.90	110.40	110.95
CHF	0.9545	0.9595	0.9645	0.9695	0.9755

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1149	(0.53)	EUR/GBP	0.8550	1.08
GBP/USD	1.3036	(1.53)	GBP/JPY	143.26	0.46
USD/JPY	109.8800	0.96	EUR/JPY	122.52	0.52
USD/CHF	0.9641	(0.36)	EUR/CHF	1.0748	(0.89)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1163 level during Wednesday's trading session and currently trading at 1.1151. EUR/USD Supports are at (1.1050-1.1065) any break below would take the pair down to 1.0980. Short term outlook is Neutral.

GBP/USD: The pair moved up to the 1.3042 level during Wednesday's trading session and currently trading at 1.3051. GBP/USD Supports are at (1.2945-1.2965) any break below would take the pair down to 1.2830. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.19	2.50	2.75	2.94	3.19
USD	1.57	1.67	1.84	1.86	1.96
EUR	-0.55	-0.51	-0.42	-0.36	-0.27
GBP	0.70	0.68	0.76	0.81	0.86
CHF	-0.79	-0.77	-0.67	-0.62	-0.48
AUD	0.90	0.67	0.91	0.94	1.04

Economic Events

Date	Country	Event	Actual	Forecast	Previous
13-Jan-20	GBP	GDP m/m	-0.3%	0.0%	0.1%
13-Jan-20	GBP	Manufacturing Production m/m	-1.7%	-0.3%	0.5%
14-Jan-20	USD	CPI m/m	0.2%	0.2%	0.3%
14-Jan-20	USD	Core CPI m/m	0.1%	0.2%	0.2%
15-Jan-20	GBP	CPI y/y	1.3%	1.5%	1.5%
16-Jan-20	USD	Core Retail Sales m/m		0.5%	0.1%
16-Jan-20	USD	Retail Sales m/m		0.3%	0.2%
16-Jan-20	EUR	ECB President Lagarde Speaks			
17-Jan-20	CNY	GDP q/y		6.0%	6.0%
17-Jan-20	GBP	Retail Sales m/m		0.8%	-0.6%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.53	1.56	1.60	1.79	2.25
Germany	-0.61	-0.60	-0.52	-0.21	0.30
United Kingdom	0.52	0.43	0.42	0.64	1.16
Japan	-0.14	-0.14	-0.10	0.00	0.45

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	66.59	(0.18)	Dow Jones	29,030.22	0.31
Brent	64.43	0.67	Nikkei 225	23,923.59	0.03
West Texas	58.23	0.73	S&P 500	3,289.29	0.19
Gold	1,554.95	(0.06)	KuwaitSE	6,351.63	0.29

Global Indices

All information has been sourced from Reuters.

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 (TELEX : 46811 - FAX +965 2241 9720).