

#### Highlights in the Foreign Exchange Market:

- Trade tensions between the two largest economies is easing as China makes pledges on structural economic changes and abolishes retaliatory tariffs on American products, a source briefed on negotiations said on Sunday. The two countries seem close in concluding a deal that would remove US tariffs on at least \$200 billion worth of Chinese goods. The leaders of both nations are expected to seal a formal trade deal at a summit meeting around end of March given the progress in talks between the two countries.
- The Japanese economy saw a contractionary phase since the beginning of the year, where manufacturing production contracted for the first time in nearly three years in February. Japanese exports declined amid slower sales to China according to the final readings from industry gauges. The Nikkei-Markit PMI fell to 48.9 in February, down from the final reading of 50.3 in January, and dipping below the 50 point line separating expansion from contraction for the first time since August 2016. In addition, Japan's industrial production fell at its fastest pace in a year in January as the motor vehicle and electronics sectors posted declines while retail sales growth missed estimates. According to the Japanese ministry of economy, industrial production fell 3.7% y/y in January, coming short of a forecasted drop of 2.5%. Retail sales grew 0.6% y/y in January, a slowdown from the 1.3% growth achieved in December and coming shy of the forecasted 1.1%.

US Dollar Index  
3 Month Performance



JPY/USD  
3 Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1270	1.1320	1.1364	1.1410	1.1465
GBP	1.3110	1.3170	1.3235	1.3285	1.3330
JPY	111.05	111.50	111.96	112.45	112.90
CHF	0.9900	0.9940	0.9995	1.0030	1.0090

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1374	(0.92)	EUR/GBP	0.8605	(4.39)
GBP/USD	1.3202	3.70	GBP/JPY	147.75	5.76
USD/JPY	111.90	1.53	EUR/JPY	127.20	0.80
USD/CHF	0.9988	1.85	EUR/CHF	1.1351	0.96

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1408 level during Friday's trading session and currently trading at 1.1364. EUR/USD Support is at (1.1270-1.1320) any break below would take the pair to 1.1215. Short term outlook is neutral, however the medium term outlook remains bearish.

GBP/USD: The pair moved down to the 1.3170 level during Friday's trading session and currently trading at 1.3235. GBP/USD Support is at (1.3110-1.3170) any break below would take the pair down to 1.3040. Short term outlook is neutral, however the medium term outlook remains bearish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.06	2.44	2.63	2.88	3.06
USD	2.41	2.48	2.60	2.68	2.88
EUR	-0.45	-0.41	-0.34	-0.30	-0.16
GBP	0.70	0.73	0.85	0.99	1.14
CHF	-0.80	-0.78	-0.71	-0.65	-0.51
AUD	1.60	1.83	1.95	2.04	2.17

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
4-Mar-19	AUD	Building Approvals	2.5%	1.5%	-8.4%
5-Mar-19	AUD	RBA Rate Statement			
5-Mar-19	GBP	BOE Gov Carney Speaks			
6-Mar-19	AUD	GDP q/q			0.3%
6-Mar-19	CAD	BOC Rate Statement			
7-Mar-19	EUR	Main Refinancing Rate		0.00%	0.00%
8-Mar-19	CAD	Employment Change			66.8K
8-Mar-19	USD	Average Hourly Earnings m/m			0.1%
8-Mar-19	USD	Non-Farm Employment Change			304K
8-Mar-19	USD	Unemployment Rate			4.00%

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.55	2.56	2.56	2.76	3.13
Germany	-0.56	-0.53	-0.30	0.20	0.82
United Kingdom	0.77	0.81	0.99	1.29	1.80
Japan	-0.16	-0.15	-0.15	-0.01	0.63

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	65.60	(1.41)	Dow Jones	26,026.32	0.43
Brent	63.15	(0.03)	Nikkei 225	21,822.04	1.02
West Texas	55.71	(0.18)	S&P 500	2,803.69	0.69
Gold	1,294.24	0.07	KuwaitSE	5,270.73	0.57

All information has been sourced from Reuters.

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