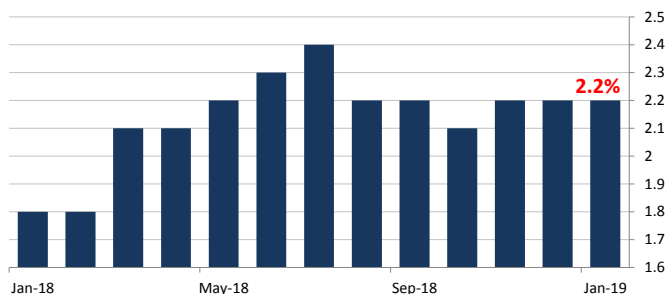


#### Highlights in the Foreign Exchange Market:

- Headline inflation in the US remained stagnant on a monthly basis, and declined to 1.6% on a yearly basis. On the other hand, core inflation rose by 0.2% monthly and remained unchanged annually at 2.2%. Headline inflation has been dropping since July of last year when it was at 3%, reflecting largely lower energy prices. The inflation data edged the dollar 0.5% higher, keeping the dollar near the two-month high it touched this week.
- In the UK, yearly CPI fell from 2.10% in December to 1.8% in January, and 0.1% below market expectations. This reading represents the first figure below 2% since January 2017. This drop in the headline rate was driven mainly by softer energy price inflation, which declined from 5.9% to 1.1% yearly. Economists attribute this softening in inflation figure to the fading impact of the 2016 sterling depreciation after the Brexit vote.
- The Japanese yen lost ground during Wednesday's session as PPI figures disappointed with a gain of 0.6%, below the estimate of 1.0%. The figure marked the lowest since 2017. The next day, preliminary GDP figures for the fourth quarter were released at 0.3%, lower than the 0.4% expectation. The USD/JPY pair has risen 3.14% since January 2019, and is currently trading at around the 111 level.
- Looking at equities, Asian stocks continue to struggle for direction as investors await the outcome of US-China trade talks in Beijing this week. Hong Kong's Hang Seng was down 0.5% mainly attributed to the 1.5% drop in technology stocks. Still, the index is 1.4% higher for this week due to trade optimism as US president Trump claimed an extension to the March 1st deadline for a deal is possible. In China, the CSI 300 was down 0.4% after switching between gains and losses for most of Wednesday's trading session.

US Core CPI  
1 Year Performance



USD/JPY  
3 Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1180	1.1215	1.1276	1.1335	1.1375
GBP	1.2760	1.2805	1.2863	1.2910	1.2965
JPY	110.15	110.55	111.03	111.55	112.10
CHF	0.9975	1.0030	1.0080	1.0130	1.0185

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1265	(1.67)	EUR/GBP	0.8765	(2.44)
GBP/USD	1.2844	0.88	GBP/JPY	142.57	2.02
USD/JPY	110.99	0.68	EUR/JPY	125.00	(0.78)
USD/CHF	1.0090	2.73	EUR/CHF	1.1364	1.06

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1257 level during Wednesday's trading session and currently trading at 1.1278 EUR/USD Support is at (1.1180-1.1215) any break below would take the pair to 1.1015. Short term and medium term outlook are Bearish.

USD/JPY: The pair moved up to the 111.05 level during Wednesday's trading session and currently trading at 111.01. USD/JPY Resistance is at (111.55-112.10) any break above targets 113.25. Short term and medium term outlook are Bullish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.06	2.44	2.69	2.88	3.13
USD	2.42	2.49	2.68	2.74	2.92
EUR	-0.45	-0.41	-0.34	-0.30	-0.18
GBP	0.70	0.73	0.87	0.99	1.13
CHF	-0.80	-0.77	-0.72	-0.66	-0.51
AUD	1.70	1.87	2.16	2.08	2.19

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
11-Feb-19	GBP	GDP m/m	-0.3%	0.0%	0.2%
12-Feb-19	USD	Fed Chair Powell Speaks			
12-Feb-19	GBP	BOE Gov Carney Speaks			
13-Feb-19	USD	CPI m/m	0.0%	0.1%	-0.1%
13-Feb-19	GBP	CPI y/y	1.8%	1.9%	2.1%
13-Feb-19	USD	Core CPI m/m	0.2%	0.2%	0.2%
14-Feb-19	USD	Core Retail Sales m/m		0.0%	0.2%
14-Feb-19	USD	PPI m/m		0.1%	-0.2%
15-Feb-19	GBP	Retail Sales m/m		0.2%	-0.9%
15-Feb-19	CNY	CPI y/y			1.9%

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.53	2.54	2.53	2.71	3.04
Germany	-0.57	-0.57	-0.38	0.12	0.74
United Kingdom	0.74	0.73	0.83	1.18	1.69
Japan	-0.18	-0.17	-0.17	-0.02	0.61

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	64.38	1.08	Dow Jones	25,543.27	0.36
Brent	63.66	(0.03)	Nikkei 225	21,153.55	0.04
West Texas	53.79	(0.19)	S&P 500	2,753.03	0.30
Gold	1,308.65	0.19	KuwaitSE	5,232.70	(0.40)

All information has been sourced from Reuters.

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