

Highlights in the Foreign Exchange Market:

- Prime Minister Theresa May was put under the pressure of a no confidence vote Wednesday night, but managed to pull through with a vote of confidence by 200 to 117. When she spoke after the vote, the Prime Minister said that it was time to "get on with Brexit" she also noted that politicians from all sides need to come together and act in the national interest. She travels to Brussels tonight in an attempt to persuade the EU leaders to cut her a better deal after her authority was shaken. Mrs May's victory now gives her political breathing space, as it guarantees that she cannot face another confidence vote for 12 months. Her win does not solve her ultimate dilemma, as she still needs to find a way to win parliamentary backing for a Brexit deal, especially when she knows that she will need the support of the 117 MPs that tried to oust her.
- With falling fuel and energy cost, US inflation saw its slowest rise in nine months in November, assuring that price pressures are easing after a surge during summer. Month-on-month CPI was flat at 0% as forecasted by economists; core CPI also matched the forecasts at 0.2%. Headline consumer price growth slowed to 2.2% from a year earlier. Price gains were bottlenecked thanks to a 22% drop in global crude prices. Looking at the indicator that the Fed has a greater interest in, core inflation edged up to 2.2% year-on-year this November. While the prospect for a fourth hike this year by the Fed in its meeting this month is still strong. Further rate rises next year are becoming more and more unclear with trade worries, dovish comments from the Fed Chair Jerome Powell, and market turmoil.

GBP/USD
3-Month Performance



US CPI m/m
3-Year Performance

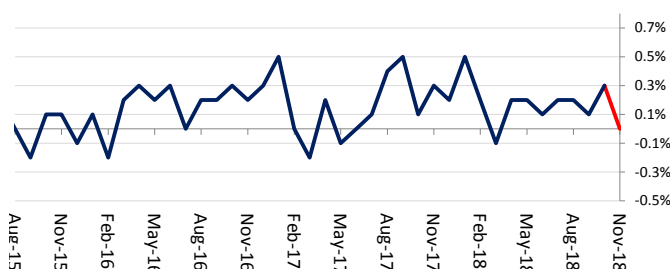


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1265	1.1315	1.1367	1.1420	1.1470
GBP	1.2515	1.2565	1.2616	1.2675	1.2725
JPY	112.45	112.95	113.45	113.95	114.45
CHF	0.9830	0.9890	0.9938	0.9990	1.0040

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1368	(5.21)	EUR/GBP	0.9000	1.35
GBP/USD	1.2629	(6.56)	GBP/JPY	143.03	(5.85)
USD/JPY	113.27	0.67	EUR/JPY	128.77	(4.59)
USD/CHF	0.9935	1.95	EUR/CHF	1.1292	(8.39)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1388 level during Wednesday's trading session and currently trading at 1.1367. EUR/USD Support is at (1.1225-1.1265) any break below would take the pair to 1.1070. Short term outlook is neutral. However, if the pair breaks the low of the year 1.1213 level it will turn bearish.

GBP/USD: The pair recovered from its twenty month low of 1.2475 level during Wednesday's trading session and currently trading at 1.2616. GBP/USD Support is at (1.2475-1.2515) any break below would take the pair to 1.2375. Short term and medium term outlook are Bearish. However, if the pair breaks above 1.2675 level it will turn neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.38	1.88	2.13	2.38	2.63
USD	2.21	2.43	2.78	2.88	3.09
EUR	-0.44	-0.41	-0.36	-0.33	-0.21
GBP	0.70	0.73	0.90	1.02	1.15
CHF	-0.80	-0.83	-0.74	-0.66	-0.53
AUD	1.85	2.76	2.32	2.30	2.48

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Dec-18	GBP	GBP m/m	0.1%	0.1%	0.0%
10-Dec-18	GBP	Manufacturing Production m/m	-0.9%	0.0%	0.2%
11-Dec-18	GBP	Average Earnings Index 3m/y	3.3%	3.0%	3.0%
11-Dec-18	USD	PPI m/m	0.1%	0.0%	0.6%
11-Dec-18	GBP	Parliament Brexit Vote			
12-Dec-18	USD	CPI m/m	0.0%	0.0%	0.3%
12-Dec-18	USD	Core CPI m/m	0.2%	0.2%	0.2%
13-Dec-18	CHF	SNB Monetary Policy Assessment			
13-Dec-18	CHF	SNB Press Conference			
13-Dec-18	EUR	ECB Press Conference			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.69	2.77	2.77	2.91	3.16
Germany	-0.67	-0.58	-0.25	0.28	0.87
United Kingdom	0.72	0.72	0.88	1.27	1.83
Japan	-0.17	-0.15	-0.12	0.05	0.79

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	59.15	(1.43)	Dow Jones	24,527.27	0.54
Brent	59.96	(0.03)	Nikkei 225	21,830.87	1.06
West Texas	50.99	(0.20)	S&P 500	2,651.07	0.54
Gold	1,245.94	0.04	KuwaitSE	5,151.46	(0.90)

Global Indices

All information has been sourced from Reuters.

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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).