

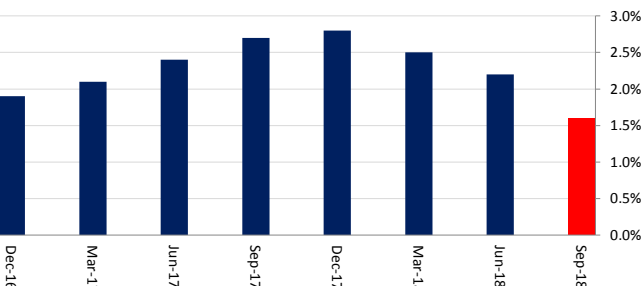
#### Highlights in the Foreign Exchange Market:

- US equity indices suffered additional losses at the end of last week, pressured by US yield curve inversion, weaker economic data and worries over a global slowdown. The Nasdaq composite lost 3.05% of its value on Friday and all US indices closed in red territory. The negative momentum witnessed in US stock markets has spilled over into today's Asian session, with all stock indices trading lower.
- On the oil front, OPEC and its allies moved closer on Friday towards finalizing a deal that would cut oil production by more than the market had expected despite pressure from US President Donald Trump to reduce the price of crude. The tentative agreement would see OPEC members reducing output by 0.8 million barrels per day while non-OPEC members cutting by 0.4 million bpd. The combined cut of 1.2 million bpd is set to begin in January. Oil prices rallied around 5% after the news to close the week at \$61.67.
- The euro zone economy grew at its slowest pace in four years in the third quarter of 2018. GDP rose by 0.2% in the euro area compared with the previous quarter's 0.4% increase, according to an estimate published by Eurostat. Year over year, GDP rose by 1.6%. The weak growth and soft underlying inflation means the ECB will struggle to fulfill its policy normalization plans over the next couple of years. As such, no policy or guidance changes are expected from the central bank in their upcoming meeting December 13.

USD/KWD  
1 Year Performance



Euro Zone Revised GDP Q3  
2 Year Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1325	1.1375	<b>1.1426</b>	1.1475	1.1525
GBP	1.2640	1.2690	<b>1.2741</b>	1.2790	1.2845
JPY	111.45	111.90	<b>112.44</b>	112.90	113.45
CHF	0.9775	0.9825	<b>0.9881</b>	0.9930	0.9985

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1376	(4.69)	EUR/GBP	0.8948	1.02
GBP/USD	1.2726	(5.72)	GBP/JPY	143.47	(5.81)
USD/JPY	112.72	(0.19)	EUR/JPY	128.39	(4.87)
USD/CHF	0.9903	1.40	EUR/CHF	1.1279	(8.36)

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1423 level during Friday's trading session and currently trading at 1.1426. EUR/USD Support is at (1.1300-1.1325) any break below would take the pair to 1.1215. Short term outlook is neutral. However, if the pair breaks the low of the year 1.1213 level it will turn bearish.

USD/JPY: The pair moved down to the 112.53 level during Friday's trading session and currently trading at 112.44. USD/JPY Resistance is at (113.45-113.85) any break above would take the pair to 114.55. Short term and medium term outlook are neutral. However, if the pair breaks the high of the year 114.54 level it will turn bullish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.38	1.88	2.13	2.38	2.69
USD	2.21	2.40	2.77	2.89	3.10
EUR	-0.44	-0.41	-0.35	-0.33	-0.22
GBP	0.71	0.74	0.91	1.03	1.16
CHF	-0.79	-0.84	-0.74	-0.66	-0.53
AUD	1.60	2.43	2.20	2.20	2.30

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Dec-18	GBP	GBP m/m		0.1%	0.0%
10-Dec-18	GBP	Manufacturing Production m/m		0.0%	0.2%
11-Dec-18	GBP	Average Earnings Index 3m/y		3.0%	3.0%
11-Dec-18	USD	PPI m/m		0.0%	0.6%
11-Dec-18	GBP	Parliament Brexit Vote			
12-Dec-18	USD	CPI m/m		0.0%	0.3%
12-Dec-18	USD	Core CPI m/m		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	2.67	2.70	2.68	2.84	3.13
Germany	-0.67	-0.61	-0.31	0.24	0.88
United Kingdom	0.74	0.73	0.87	1.26	1.82
Japan	-0.18	-0.15	-0.15	0.03	0.78

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	60.04	1.78	Dow Jones	24,388.95	(2.24)
Brent	61.73	(0.03)	Nikkei 225	21,192.78	2.24
West Texas	52.71	(0.19)	S&P 500	2,633.08	(2.33)
Gold	1,249.55	0.14	KuwaitSE	5,180.30	(0.90)

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).