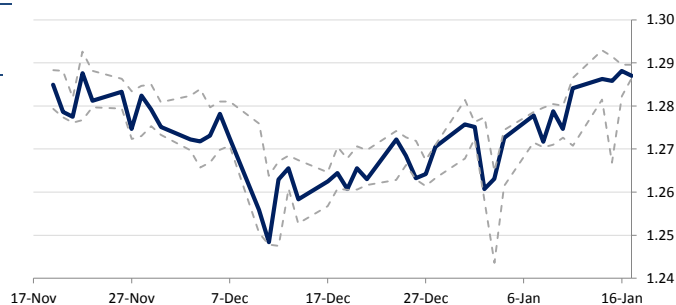


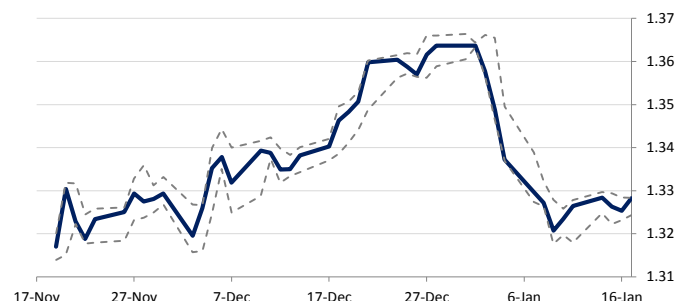
#### Highlights in the Foreign Exchange Market:

- The US government shutdown is now officially a record breaker at 25 days, and is starting to take its toll on the US economy. Historically, shutdowns have had only short-lived economic effects, but Fed Chair Powell warned last week that a dispute that outlast past deadlocks, has the potential to change the picture for the worse. The most immediate impact will spur from the reduction in work done by federal employees. Recent updates from the White House economists suggest that the effect of work not being done by 380,000 furloughed federal workers will cut 0.08% off real GDP for every week of the shutdown. In addition, an extra drop of 0.05% will come due to the loss of work done by federal contractors. Another impact of the shutdown will be a temporary drop in US employment data, as the furloughed staff will be classified as unemployed in the January jobs data.
- In a follow up to her defeat, UK Prime Minister Theresa May has hinted that she could delay the date Britain leaves the EU, as she seeks to devise a new Brexit plan. Responses have been split between Ministers in regards to the extension of Article 50's negotiation period, given that this prospect would significantly reduce the likelihood of a no-deal Brexit but would enrage Conservative Eurosceptics. It is worth mentioning at this point, that an EU court ruling gives the right for the UK to unilaterally revoke Article 50, but an extension to negotiations requires the agreement of all other 27 EU members. As for the outcome of the latest no confidence vote, PM may has narrowly survived by a margin of 325 to 306.
- In the FX market, the best performers on Wednesday were the GBP, USD and CAD. The Sterling pound remains resilient, sustained by increasing probability of a delay in Brexit, or no Brexit at all. The CAD's strength is mainly attributed to higher oil prices, while the USD finds upward momentum on the back of higher treasury yields.

GBP/USD  
2-Month Performance



USD/CAD  
2-Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1285	1.1335	1.1385	1.1435	1.1490
GBP	1.2765	1.2820	1.2870	1.2925	1.2975
JPY	108.00	108.55	109.04	109.55	110.05
CHF	0.9815	0.9865	0.9914	0.9965	1.0015

#### Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1374 level during Wednesday's trading session and currently trading at 1.1385. EUR/USD Support is at (1.1285-1.1335) any break below would take the pair to 1.1215. Short term and medium term outlook are Neutral.

USD/JPY: The pair moved up to the 109.19 level during Wednesday's trading session and currently trading at 109.04 USD/JPY Support is at (107.55-108.05) any break below targets 106.25. Short term and medium term outlook are Neutral.

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
13-Jan-19	CNY	Trade Balance	395B	345B	306B
15-Jan-19	USD	PPI m/m	-0.2%	-0.1%	0.1%
15-Jan-19	EUR	ECB President Speaks			
15-Jan-19	GBP	Parilament Brexit Vote	Reject	Reject	
16-Jan-19	GBP	BOE Governor Speaks			
16-Jan-19	GBP	CPI y/y	2.1%	2.1%	2.3%
18-Jan-19	All	G20 Meetings			
18-Jan-19	JPY	BOJ Governor Speaks		0.4%	-0.9%
18-Jan-19	GBP	Retail Sales m/m		-0.8%	1.4%
18-Jan-19	USD	Prelim UoM Consumer Sentiment		97.0	98.3

All information has been sourced from Reuters.

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#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1397	(0.73)	EUR/GBP	0.8841	(1.59)
GBP/USD	1.2881	0.92	GBP/JPY	140.52	0.16
USD/JPY	109.08	(1.20)	EUR/JPY	124.28	(1.72)
USD/CHF	0.9900	0.99	EUR/CHF	1.1281	0.32

#### Major Crosses

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.88	2.25	2.50	2.75	3.00
USD	2.41	2.51	2.78	2.86	3.03
EUR	-0.45	-0.42	-0.33	-0.30	-0.18
GBP	0.70	0.73	0.92	1.04	1.18
CHF	-0.81	-0.78	-0.70	-0.63	-0.50
AUD	1.87	2.03	2.14	2.22	2.25

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.56	2.53	2.53	2.71	3.06
Germany	-0.63	-0.62	-0.36	0.22	0.83
United Kingdom	0.74	0.80	0.96	1.30	1.81
Japan	-0.19	-0.18	-0.17	0.00	0.69

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	59.97	0.77	Dow Jones	24,207.16	0.59
Brent	59.45	(0.03)	Nikkei 225	20,415.68	(0.13)
West Texas	52.03	(0.19)	S&P 500	2,616.10	0.22
Gold	1,292.06	(0.11)	KuwaitSE	5,225.15	0.13

#### Global Indices