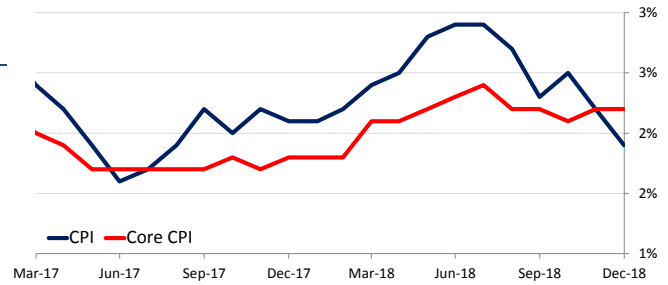


Highlights in the Foreign Exchange Market:

- The US governmental shutdown has ended its third week at an inconvenient time for markets given that the Federal Reserve has claimed policy would be predominantly "data dependent" for 2019. Around 800,000 federal employees have been affected, with agencies that produce vital data to market participants now in disarray. On Thursday, Trump had a meeting with Democratic congressional leaders on border security. The meeting came hours after he reiterated his demands for congressional money for the wall, and insisted that he had the "absolute right" to declare a national emergency in order to find funding for his wall. The meeting was cut short by Trump and declared it "a total waste of time."
- Headline inflation for December was, as widely expected, dragged lower by the plunge in gasoline prices seen through the fourth quarter. It fell 0.1% m/m in December, leaving the annual rate of US inflation at 1.9%, the lowest since August 2017. However, the core rate, which excludes the volatile food and energy components, has risen 0.2% m/m and 2.2% y/y, and remains above the Federal Reserve's medium-term target.
- Looking at commodities, oil prices continued their upward momentum and rose to a five week high on Friday amid optimism regarding the US-China trade dispute. The West Texas Intermediate has risen 15.5% since the beginning of the year, while Brent crude followed the trend rising 12%. Oil prices have also risen due to the supply cuts as OPEC and its allies are now pumping 1.2 million less barrels per day since the start of the year. The recovery of crude was also supported by resumed talks between the US and China, given that the trade stalemate had created a dampening outlook for global growth.

US Inflation
1.5-Year Performance



Brent Crude
6-Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1265	1.1365	1.1467	1.1570	1.1665
GBP	1.2645	1.2745	1.2849	1.2950	1.3045
JPY	106.50	107.50	108.54	109.50	110.55
CHF	0.9645	0.9755	0.9840	0.9945	1.0040

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1467	(0.02)	EUR/GBP	0.8926	(0.65)
GBP/USD	1.2841	0.72	GBP/JPY	139.29	(0.54)
USD/JPY	108.54	(1.56)	EUR/JPY	124.49	(1.37)
USD/CHF	0.9840	0.26	EUR/CHF	1.1284	0.27

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1540 level during Friday's trading session and closed for the week at 1.1467. EUR/USD Support is at (1.1215-1.1265) 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.

USD/JPY: The pair moved up to the 108.59 level during Friday's trading session and closed for the week at 108.54 USD/JPY Support is at (106.50-107.50) any break below targets 104.95. Short term and medium term outlook are Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.81	2.25	2.50	2.75	3.00
USD	2.41	2.51	2.79	2.86	3.02
EUR	-0.44	-0.42	-0.33	-0.30	-0.17
GBP	0.70	0.73	0.92	1.04	1.19
CHF	-0.81	-0.78	-0.70	-0.63	-0.50
AUD	1.85	1.97	2.16	2.26	2.30

Economic Events

Date	Country	Event	Actual	Forecast	Previous
13-Jan-19	CNY	Trade Balance		345B	306B
15-Jan-19	USD	PPI m/m		-0.1%	0.1%
15-Jan-19	EUR	ECB President Speaks			
15-Jan-19	GBP	Parliament Brexit Vote		Reject	
16-Jan-19	GBP	BOE Governor Speaks			
16-Jan-19	GBP	CPI y/y		2.1%	2.3%
16-Jan-19	All	G20 Meetings			
16-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		96.1	98.3

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.56	2.54	2.52	2.70	3.03
Germany	-0.61	-0.60	-0.33	0.18	0.83
United Kingdom	0.77	0.79	0.94	1.28	1.83
Japan	-0.16	-0.16	-0.16	0.01	0.69

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	60.07	(1.05)	Dow Jones	23,995.95	(0.02)
Brent	58.88	(0.03)	Nikkei 225	20,359.70	0.97
West Texas	51.39	(0.19)	S&P 500	2,596.26	(0.01)
Gold	1,287.50	0.09	KuwaitSE	5,222.39	0.24

All information has been sourced from Reuters.

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