

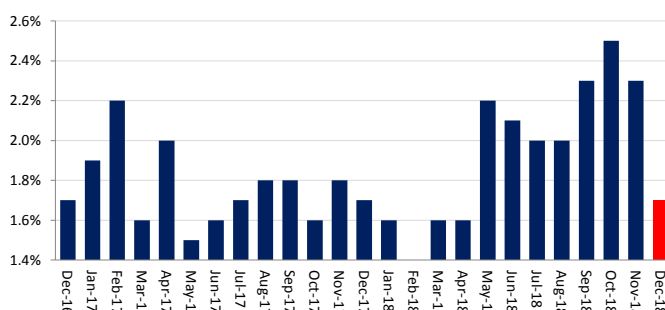
#### Highlights in the Foreign Exchange Market:

- The Fed Funds futures in Bloomberg showed a cut probability of 30.3% higher than a hike probability of 6.5% for January 2020, which could be a signal from the market pricing in an easing cycle or a recession to start in just one year from now. Additionally, the 1-year LIBOR was down by 10 basis points from the beginning of December to reach 3.03%.
- Looking at German price momentum, the CPI figure came at the end of the week at 1.7%, 0.3% short of the 2% inflation target of all major economies. However the volatility in the single currency dictated the movement as the euro reached a high of 1.1473 on Friday night.
- In China, the manufacturing sector contracted for the first time in two years as the manufacturing PMI fell below the 50 threshold to 49.4. As for the export component, the sub-index fell for a seventh straight month to 46.6 on weaker external demand. The loss of global economic momentum, unresolved trade tensions between the 2 largest economies and global uncertainty are pressuring the manufacturing sector.
- The safe haven Japanese yen is slightly trading in a weaker manner today after President Trump tweeted over the weekend about the positive progress made on trade talks with China. The latest tone may provide a positive start to what could be a make or break year for ties between the world's two largest economies. The US dollar rose by 0.13% versus the yen.

USD/JPY  
1-Month Performance



German Consumer Inflation y/y  
2-Year Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1325	1.1380	1.1422	1.1475	1.1525
GBP	1.2580	1.2625	1.2685	1.2735	1.2785
JPY	109.40	109.90	110.41	110.90	111.40
CHF	0.9745	0.9800	0.9855	0.9905	0.9955

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1436	(4.74)	EUR/GBP	0.9011	1.43
GBP/USD	1.2705	(6.12)	GBP/JPY	140.04	(7.93)
USD/JPY	110.26	(2.03)	EUR/JPY	126.22	(6.65)
USD/CHF	0.9841	1.08	EUR/CHF	1.1259	(3.72)

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1476 level during Friday's trading session and currently trading at 1.1422. 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 110.13 level during Friday's trading session and currently trading at 110.41 USD/JPY Support is at (109.40-109.70) any break below targets 108.05. Short term and medium term outlook are Bearish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.63	2.06	2.31	2.56	2.81
USD	2.42	2.52	2.80	2.87	3.01
EUR	-0.43	-0.41	-0.36	-0.31	-0.18
GBP	0.71	0.73	0.91	1.04	1.17
CHF	-0.81	-0.80	-0.72	-0.64	-0.51
AUD	2.00	1.85	2.06	2.16	2.35

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
31-Dec-18	CNY	Manufacturing PMI	49.4	50.0	50.0
2-Jan-19	GBP	Manufacturing PMI		52.6	53.1
3-Jan-19	USD	ADP Non-Farm Employment		108k	179k
3-Jan-19	USD	ISM Manufacturing PMI		58.2	59.3
4-Jan-19	GBP	Services PMI		50.8	50.4
4-Jan-19	EUR	Core CPI Flash Estimate y/y		1.0%	1.05
4-Jan-19	EUR	CPI Flash Estimate y/y		1.8%	2.0%
4-Jan-19	USD	Average Hourly Earnings m/m		0.3%	0.2%
4-Jan-19	USD	Non-Farm Employment Change		181k	155k
4-Jan-19	USD	Unemployment Rate		3.7%	3.7%

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.56	2.51	2.56	2.73	3.04
Germany	-0.64	-0.67	-0.28	0.24	0.87
United Kingdom	0.67	0.70	0.89	1.26	1.80
Japan	-0.16	-0.15	-0.16	-0.01	0.70

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	51.98	(1.31)	Dow Jones	23,062.40	(0.33)
Brent	50.51	(0.04)	Nikkei 225	20,014.77	(0.31)
West Texas	45.10	(0.22)	S&P 500	2,485.74	(0.12)
Gold	1,280.10	(0.04)	KuwaitSE	5,076.63	(0.90)

All information has been sourced from Reuters.

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