

Highlights in the Foreign Exchange Market:

- The US government was shut down last week after the standoff over Trump's \$5 billion border wall with Mexico was not approved by congress. With no deal in sight on a bill to fund the government, US senators were sent home until Thursday. The quarter of the federal government programs (Departments of Homeland Security, Justice, Agriculture, Parks and Museums) will not be funded up until a deal is concluded in congress. In details, 400,000 federal employees in those organizations will work without pay and another 380,000 will be on temporary leave also without any wages.
- In its latest meeting, the BOE Monetary Policy Committee voted unanimously on keeping rates on hold without making any alterations to the amount of money printed under its quantitative easing program that followed the global financial crisis. The Bank of England left interest rates unchanged at 0.75% as it warned that Brexit uncertainties had "intensified considerably" during the last month.
- With less than 100 days to go until Brexit day, the prospects a no-deal Brexit have jumped especially since Theresa May's deal is struggling in Parliament. Accordingly, the government has stepped up plans to prepare for such an event. A part of this plan, which was revealed last week, included putting 3,500 military personnel on standby to "to support any government department on any contingencies they need". The Ministry of Defense said the personnel, who will include engineers and mechanics will be ready to be deployed for any crisis if the UK crashes out of the EU without an agreement being signed. The MPC reiterated that if there was a smooth Brexit with a transition period, the economy was likely to need roughly one quarter-point interest rate rise a year to keep inflation anchored to its target of 2%.

US Dollar Index
YTD Performance



GBP/USD
YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1285	1.1335	1.1389	1.1440	1.1500
GBP	1.2570	1.2620	1.2673	1.2725	1.2775
JPY	110.10	110.60	111.08	111.65	112.15
CHF	0.9825	0.9870	0.9930	0.9985	1.0025

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1372	-5.13	EUR/GBP	0.8998	(1.18)
GBP/USD	1.2645	-6.22	GBP/JPY	140.52	8.13
USD/JPY	111.22	1.42	EUR/JPY	126.48	6.92
USD/CHF	0.9938	-1.92	EUR/CHF	1.13	3.44

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1351 level during Friday's trading session and currently trading at 1.1389. EUR/USD Support is at (1.1215-1.1285) 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 down to the 110.92 level during Friday's trading session and currently trading at 111.08 USD/JPY Support is at (110.10-110.60) any break below targets 108.20. Short term and medium term outlook are Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	2.00	2.25	2.50	2.75
USD	2.42	2.51	2.82	2.91	3.07
EUR	-0.43	-0.41	-0.35	-0.31	-0.18
GBP	0.71	0.73	0.91	1.04	1.17
CHF	-0.86	-0.84	-0.73	-0.66	-0.51
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
26-Dec-18	JPY	Monetary Policy Meeting Minutes			
26-Dec-18	JPY	BOJ Core CPI y/y		0.6%	0.6%
27-Dec-18	JPY	BOJ Gov Kuroda Speaks			
27-Dec-18	USD	CB Consumer Confidence		133.0	135.7
27-Dec-18	USD	New Home Sales		569k	544K
28-Dec-18	EUR	German Prelim CPI m/m		0.3%	0.1%
28-Dec-18	JPY	Unemployment Rate		2.4%	2.4%
28-Dec-18	USD	Goods Trade Balance		-75.5B	-77.0B
28-Dec-18	USD	Chicago PMI		61.2	66.4
28-Dec-18	USD	Pending Home Sales m/m		1.1%	-2.6%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.64	2.62	2.64	2.79	3.03
Germany	-0.63	-0.58	-0.31	0.24	0.86
United Kingdom	0.76	0.76	0.92	1.31	1.83
Japan	-0.15	-0.15	-0.14	0.03	0.74

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	52.60	-1.31	Dow Jones	22,445.37	-1.81
Brent	54.33	0.95	Nikkei 225	20,166.19	-1.11
West Texas	45.97	0.83	S&P 500	2,416.62	-2.06
Gold	1,264.03	0.56	KuwaitSE	4,714.59	0.09

All information has been sourced from Bloomberg

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