

#### Highlights in the Foreign Exchange Market:

- On Wednesday, Wall Street saw one of its best days since the great recession. Although more than one factor played a part in the rebound, a MasterCard report that sales during the Christmas season rose the most in six years managed to alleviate concerns over the health of the US economy. Moreover, White House officials attempted to calm any fears over the job status of Fed Chairman Powell, who came under fire from Trump after the central bank continued with raising rates. Initially, Trump had labeled the Federal Reserve as the "only problem" in the US economy after a Fed meeting where policymakers raised interest rates for the fourth time this year and planned for more in 2019. At the same time, a partial shutdown in the US Government did not help the rattled investors, which in turn, forfeited their equity positions and found shelter in safe government bonds.
- Meanwhile, oil markets also staged a strong rally on Wednesday, with Brent Crude rising 8.7% to \$54.87 and West Texas Intermediate moving 8.7% higher to \$46.22.
- On the political end, President Donald Trump seems to have no issues with the ongoing partial government shutdown, and is willing to continue with it until he gets his wall. Trump said on Wednesday that he is prepared to wait as long as it takes to get \$5bn from taxpayer's money for his US-Mexico border wall, a demand that triggered the federal government shutdown that is in its fifth day now. He had previously said that he was prepared for a lengthy shutdown and when asked on Wednesday on how long the wait could be, he said "Whatever it takes". A poll by Reuters on late November found that improved border security is a priority for only about 31% of the Americans surveyed.

Brent Crude Oil  
Year-to-date



Dollar Index  
Year-to-date



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1285	1.1340	1.1387	1.1445	1.1500
GBP	1.2555	1.2615	1.2665	1.2715	1.2765
JPY	109.85	110.35	110.90	111.40	111.95
CHF	0.9820	0.9870	0.9920	0.9970	1.0025

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1351	(5.14)	EUR/GBP	0.8983	1.20
GBP/USD	1.2632	(6.34)	GBP/JPY	140.66	(7.54)
USD/JPY	111.35	(1.40)	EUR/JPY	126.40	(6.43)
USD/CHF	0.9956	1.93	EUR/CHF	1.1300	(3.33)

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1340 level during Wednesday's trading session and currently trading at 1.1387. EUR/USD Support is at (1.1285-1.1340) 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 up to the 111.40 level during Wednesday's trading session and currently trading at 110.90. USD/JPY Support is at (109.35-109.85) 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	1.56	2.00	2.25	2.50	2.75
USD	2.42	2.51	2.81	2.89	3.05
EUR	-0.43	-0.41	-0.36	-0.31	-0.18
GBP	0.71	0.73	0.91	1.03	1.17
CHF	-0.85	-0.82	-0.73	-0.66	-0.51
AUD	1.65	2.44	2.25	2.31	2.38

#### 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	0.5%	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	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.58	2.61	2.66	2.79	3.04
Germany	-0.70	-0.62	-0.26	0.25	0.86
United Kingdom	0.71	0.71	0.87	1.25	1.78
Japan	-0.15	-0.13	-0.13	0.02	0.72

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	53.79	6.33	Dow Jones	22,878.45	4.98
Brent	51.87	(0.04)	Nikkei 225	20,127.05	4.14
West Texas	45.99	(0.22)	S&P 500	2,467.70	4.96
Gold	1,269.38	0.20	KuwaitSE	5,059.27	-0.18

All information has been sourced from Reuters.

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