



Highlights in the Foreign Exchange Market:

- The Brexit turmoil which has created a cloud of uncertainty for years and almost pushed the UK economy into a recession is on the verge of conclusion. PM Boris Johnson's snap election gamble has paid off remarkably as the Conservative party secured a crushing victory. The Conservative party (Tories) won 365 seats in Parliament easily securing a majority and is considered as the largest win for the Tories since the late 80s. On the other hand, the Labor party attained 203 seats only, the worst result for the party since 1935. The election results indicate that British citizens are in favor of leaving the EU with Boris's agenda; the Tories' strong pledge to "Get Brexit Done" clearly echoed well with the public.
- The Sterling pound was the top performer among G10 currencies last week, climbing to a 19-month high of 1.3514 after the polling results were released. In weekly terms, the GBP gained around 185 basis points against the greenback. Markets may witness a less volatile Sterling pound in the months ahead as the Brexit risk becomes a less vital driver of performance. Since the Brexit referendum, the pound's trajectory has been mainly dominated by political headlines. This political trend could come to an end with economic fundamentals back in play.
- In the US bond market, the yield on the 10-year note rose to a four-week high of 1.903% after positive rhetoric on trade, from 1.79% seen on late Wednesday. It was evident from the rise in yields that bonds were in selling mode. As trade worries eased, the yield curve steepened for the first time in four days, with the spread between the two-year and 10-year note yields expanding to as much as 23.10 basis points, the widest gap in four weeks.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0950	1.1030	1.1120	1.1215	1.1295
GBP	1.3105	1.3230	1.3324	1.3450	1.3570
JPY	107.50	108.40	109.36	110.40	111.30
CHF	0.9660	0.9735	0.9840	0.9920	1.0010

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1119	(6.05)	EUR/GBP	0.8339	(7.16)
GBP/USD	1.3325	4.44	GBP/JPY	145.76	4.08
USD/JPY	109.3600	(9.82)	EUR/JPY	121.59	(3.67)
USD/CHF	0.9838	0.24	EUR/CHF	1.0939	(2.89)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1199 level during Friday's trading session and closed the week at 1.1120. EUR/USD Supports are at (1.0950-1.1030) any break below would take the pair down to 1.0875. Short term outlook is Neutral.

GBP/USD: The pair climbed to the 1.3514 level during Friday's trading session and closed the week at 1.3324. GBP/USD Resistances are at (1.3450-1.3570) any break above would take the pair up to 1.3665. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.19	2.56	2.75	2.94	3.19
USD	1.56	1.74	1.90	1.90	1.96
EUR	-0.55	-0.52	-0.44	-0.39	-0.29
GBP	0.69	0.72	0.80	0.88	0.99
CHF	-0.79	-0.81	-0.72	-0.65	-0.51
AUD	0.75	0.80	1.00	1.00	0.90

Economic Events

Date	Country	Event	Actual	Forecast	Previous
11-Dec-19	USD	CPI m/m	0.3%	0.2%	0.4%
11-Dec-19	USD	Core CPI m/m	0.2%	0.2%	0.2%
11-Dec-19	USD	Crude Oil Inventories	0.8M	-2.9M	-4.9M
12-Dec-19	EUR	Main Refinancing rate	0.0%	0.0%	0.0%
12-Dec-19	EUR	Monetary Policy Statement			
13-Dec-19	USD	Core Retail Sales m/m	0.1%	0.4%	0.3%
13-Dec-19	USD	Retail Sales m/m	0.2%	0.5%	0.4%
16-Dec-19	EUR	French Flash Services PMI			
16-Dec-19	EUR	German Flash Manufacturing PMI			
16-Dec-19	GBP	Flash Manufacturing PMI			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.51	1.60	1.65	1.82	2.25
Germany	-0.69	-0.64	-0.55	-0.30	0.22
United Kingdom	0.61	0.52	0.58	0.78	1.27
Japan	-0.15	-0.14	-0.13	-0.03	0.41

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	67.36	0.09	Dow Jones	28,135.38	0.01
Brent	65.22	1.59	Nikkei 225	24,023.10	2.55
West Texas	60.07	1.50	S&P 500	3,168.80	0.01
Gold	1,475.56	0.42	KuwaitSE	6,115.33	0.27

All information has been sourced from Reuters.

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