

Highlights in the Foreign Exchange Market:

- The US reportedly rejected an offer for trade talks by China this week as the March 1st deadline for an agreement nears. Two Chinese vice-ministers, Wang Shouwen and Liao Min, were intended to travel to the US this week for a meeting which would prepare for a higher level meeting scheduled January 30. Later in the day, White House advisor Larry Kudlow claimed that reports of the cancelled meeting with China were untrue. Still, the news provided a shift from optimism over the trade talks to unease. Lack of progress on two main issues related to technology transfers and reforms to China's economy seem to be complicating discussions. President Donald Trump had previously said he would more than double tariffs imposed on about half of all Chinese exports to the US from 10% to 25% if an agreement is not reached by March 1.
- The lingering uncertainty regarding trade talks and increasing pessimism concerning global growth dragged down equities and oil prices. Looking at US stocks, the S&P 500 fell 1.4% to 2,633 following a 1.3% gain on Friday. The Dow Jones Industrial Average followed dropping 1.2% and the Nasdaq Composite ended 1.9% lower. In Asia, the CSI 300 index fell 1.3% and the Hang Seng index finished 0.7% lower. Brent crude was also lower, falling 1.8% to 61.52.
- In the UK, official data revealed employment reached its highest level on record towards the end of 2018. Pay including bonuses grew at the highest rate since 2008 at 3.4%, however still remains below rates seen prior to the global financial crisis. The employment rate rose to 75.8% – the highest since 1971. The sterling gained strength in reaction to the news rising about 0.5% and breaking the 1.29 level.

USD/KWD
2 Month Performance



S&P 500 Index
2 Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1300	1.1350	1.1365	1.1405	1.1445
GBP	1.2850	1.2890	1.2947	1.3000	1.3050
JPY	108.70	109.15	109.65	109.90	110.50
CHF	0.9890	0.9940	0.9974	1.0010	1.0070

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1358	(0.90)	EUR/GBP	0.8766	(2.29)
GBP/USD	1.2957	1.50	GBP/JPY	141.70	1.34
USD/JPY	109.36	(0.59)	EUR/JPY	124.24	(1.28)
USD/CHF	0.9970	1.56	EUR/CHF	1.1329	0.73

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1333 level during Tuesday's trading session and currently trading at 1.1365. EUR/USD Support is at (1.1300-1.1350) any break below would take the pair to 1.1215. Short term and medium term outlook are Neutral.

USD/JPY: The pair moved down to the 109.13 level during Tuesday's trading session and currently trading at 109.65. USD/JPY Support is at (108.70-109.15) any break below targets 108.10. Short term and medium term outlook are Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.94	2.31	2.56	2.81	3.06
USD	2.41	2.52	2.78	2.85	3.04
EUR	-0.44	-0.42	-0.33	-0.29	-0.17
GBP	0.70	0.73	0.92	1.03	1.16
CHF	-0.81	-0.78	-0.70	-0.64	-0.51
AUD	1.68	1.94	2.10	2.20	2.25

Economic Events

Date	Country	Event	Actual	Forecast	Previous
20-Jan-19	CNY	GDP q/y	6.4%	6.4%	6.5%
22-Jan-19	GBP	Average Earnings Index 3m/y	3.4%	3.3%	3.3%
22-Jan-19	NZD	CPI q/q	0.1%	0.0%	0.9%
22-Jan-19	JPY	BOJ Outlook Report			
22-Jan-19	JPY	Monetary Policy Statement			
23-Jan-19	CAD	Core Retail Sales m/m			0.0%
23-Jan-19	AUD	Unemployment Rate		5.1%	5.1%
24-Jan-19	EUR	Main Refinancing Rate		0.00%	0.00%
24-Jan-19	EUR	ECB Press Conference			
25-Jan-19	EUR	German Ifo Business Climate		100.7	101.0

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.58	2.59	2.58	2.74	3.06
Germany	-0.63	-0.60	-0.34	0.23	0.83
United Kingdom	0.76	0.78	0.94	1.31	1.83
Japan	-0.18	-0.17	-0.16	-0.01	0.66

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	60.93	0.43	Dow Jones	24,404.48	(1.22)
Brent	61.24	(0.03)	Nikkei 225	20,629.63	0.03
West Texas	52.54	(0.19)	S&P 500	2,632.90	(1.42)
Gold	1,284.28	(0.03)	KuwaitSE	5,257.91	0.15

All information has been sourced from Reuters.

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