

Highlights in the Foreign Exchange Market:

- In the US, the minutes of the December FOMC policy meeting contained few surprises and few were expected. The minutes restated the Committee's positive outlook for the economy and that further gradual increases in the federal funds rate would be "warranted" to achieve the FOMC's dual goal of maximum employment and inflation close to 2.0%.
- US factory activity increased more than expected in December, boosted by a surge in new orders growth, in a further sign of strong economic momentum at the end of 2017. The Institute for Supply Management said its index of national factory activity jumped to a reading of 59.7 last month, the second-highest reading in six years. The survey also showed manufacturers upbeat about the economic outlook strong international sales.
- In the UK, the British pound fell from its three month high after the UK construction PMI showed growth slowed down last month despite the progression in Brexit negotiations. Construction has been bogged down in 2017 after the Brexit uncertainties deterred and delayed investments in the commercial sector. However, residential building activity expanded for the sixteenth consecutive month making it the key driver of growth. The construction PMI was at 52.2 in December, down from 53.1 in November.

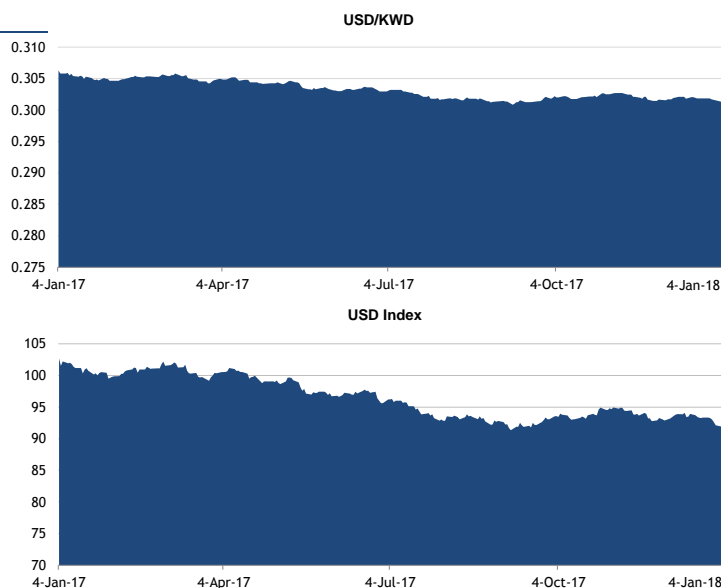


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1930	1.1970	1.2020	1.2075	1.2135
GBP	1.3425	1.3475	1.3523	1.3575	1.3625
JPY	111.65	112.05	112.60	113.10	113.65
CHF	0.9670	0.9720	0.9778	0.9830	0.9880

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2012	0.22	EUR/GBP	0.8890	0.09
GBP/USD	1.3514	0.06	GBP/JPY	152.03	0.09
USD/JPY	112.49	(0.05)	EUR/JPY	135.15	0.16
USD/CHF	0.9769	0.31	EUR/CHF	1.1737	0.54

Major Crosses

Brief Technical Commentary

EUR/USD: pair moved down to the 1.1999 level during Wednesday's trading session and currently trading at 1.2020. EUR Resistance is at (1.2075-1.2095) any break above targets 1.2250 level and Support is at (1.1910-1.1930) any break below targets 1.1810. The pair is currently Neutral.

USD/JPY: pair moved up to the 112.60 level during Wednesday's trading session and currently trading at 112.65. USD/JPY Resistance is at (113.65-113.85) any break above targets 114.75 and Support is at (111.35-111.65) any break below targets 110.80. The pair is currently Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.38	1.69	1.88	2.13	2.38
USD	1.47	1.56	1.70	1.84	2.12
EUR	-0.43	-0.41	-0.39	-0.33	-0.25
GBP	0.48	0.49	0.52	0.58	0.76
CHF	-0.79	-0.79	-0.74	-0.64	-0.52
AUD	2.78	2.86	2.95	3.05	3.33

Economic Events

Date	Country	Event	Actual	Forecast	Previous
31-Dec-18	CNY	Manufacturing PMI	51.6	51.6	51.8
31-Dec-18	CNY	Non-Manufacturing PMI	55.0	-	54.8
2-Jan-18	GBP	Manufacturing PMI	56.3	58.0	58.2
3-Jan-18	GBP	Construction PMI	52.2	52.8	53.1
4-Jan-18	GBP	Services PMI		54.1	53.8
4-Jan-18	USD	ADP Non-Fam Employment	-	192K	190K
5-Jan-18	EUR	German Retail Sales	-	1.1%	-1.2%
5-Jan-18	EUR	Flash CPI Estimate	-	1.4%	1.5%
5-Jan-18	USD	Non-Farm Employment	-	189K	228K
5-Jan-18	USD	Average Hourly Earnings	-	0.3%	0.3%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.80	1.94	2.26	2.46	2.80
Germany	-0.75	-0.63	-0.21	0.45	1.26
United Kingdom	0.36	0.46	0.74	1.22	1.77
Japan	-0.15	-0.14	-0.10	0.05	0.80

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	65.39	2.28	Dow Jones	24,922.68	98.67
Brent	68.17	0.49	Nikkei 225	23,414.58	649.23
West Texas	62.15	0.84	S&P 500	2,713.06	17.25
Gold	1,309.88	-0.23	KuwaitSE	6,401.08	88.56

Global Indices

All information has been sourced from Reuters

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