

Highlights in the Foreign Exchange Market:

- US treasury yields declined on Tuesday as financial markets price in the Federal Reserve's dovish shift towards interest rates amid an uncertain global economic outlook. Last week, Federal Reserve officials came out with a cautious tone on the US economy, indicating it may pause its rate-hike cycle or even loosen monetary policy if the economy warrants it. Both the 10 and 30 year treasury yields fell by 3 basis points. Despite descending yields, the US dollar performed positively on Tuesday and rose to the highest level since January 25. The dollar index gained around 0.25%.
- In the UK, the Sterling pound depreciated on Tuesday to a two-week low and lost 0.71% of its value to the US dollar. The currency was pressured after its dominant service sector almost contracted last month. The UK's service sector in January grew at the slowest pace since July 2016 at 50.1, down from 51.2 recorded in December. A reading below the 50 threshold indicates a contraction in the sector. Overall, the data advocates that the British service sector is flat-lining and the recent figure is likely to burden Bank of England officials as they meet on Thursday to decide on their monetary strategy. The central bank is not expected to change its monetary policy, especially with Brexit uncertainty looming over the economy.

US Dollar Index
3 Month Performance



GBP/USD
3 Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1300	1.1350	1.1399	1.1455	1.1505
GBP	1.2855	1.2905	1.2955	1.3010	1.3060
JPY	108.75	109.30	109.80	110.35	110.85
CHF	0.9890	0.9945	0.9996	1.0045	1.0095

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1412	(0.59)	EUR/GBP	0.8812	(2.06)
GBP/USD	1.2942	1.57	GBP/JPY	142.36	1.55
USD/JPY	109.96	(0.46)	EUR/JPY	125.39	(0.86)
USD/CHF	0.9997	1.83	EUR/CHF	1.1402	1.27

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1397 level during Tuesday's trading session and currently trading at 1.1398. 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 up to the 110.03 level during Tuesday's trading session and currently trading at 109.80. USD/JPY Support is at (108.45-108.75) any break below targets 107.75. 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	2.51	2.74	2.78	2.99
EUR	-0.44	-0.42	-0.34	-0.30	-0.17
GBP	0.70	0.73	0.92	1.03	1.16
CHF	-0.80	-0.78	-0.71	-0.65	-0.51
AUD	1.95	1.93	2.23	2.29	2.30

Economic Events

Date	Country	Event	Actual	Forecast	Previous
4-Feb-19	AUD	Retail Sales m/m	-0.4%	0.0%	0.4%
4-Feb-19	AUD	RBA Rate Statement			
5-Feb-19	USD	ISM Non-Manufacturing PMI	56.7	57.0	57.6
7-Feb-19	NZD	Employment Change q/q		0.3%	1.1%
7-Feb-19	NZD	Unemployment Rate		4.1%	3.9%
7-Feb-19	USD	Fed Chair Powell Speaks			
7-Feb-19	GBP	BOE Inflation Report			
7-Feb-19	GBP	Monetary Policy Summary			
8-Feb-19	CAD	Employment Change			9.3K
8-Feb-19	CAD	Unemployment Rate			5.6%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.55	2.52	2.51	2.70	3.03
Germany	-0.54	-0.57	-0.34	0.17	0.77
United Kingdom	0.75	0.74	0.87	1.23	1.73
Japan	-0.18	-0.17	-0.17	-0.02	0.59

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	62.20	(0.84)	Dow Jones	25,411.52	0.68
Brent	61.76	(0.03)	Nikkei 225	20,902.63	0.28
West Texas	53.64	(0.19)	S&P 500	2,737.70	0.47
Gold	1,312.92	(0.15)	KuwaitSE	5,222.38	0.32

All information has been sourced from Reuters.

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