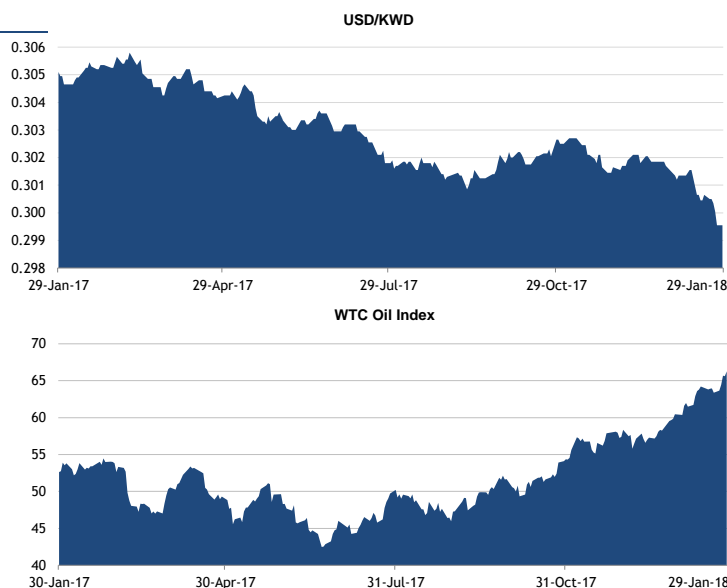


#### Highlights in the Foreign Exchange Market:

- Consumers in the US supported the economy in the last quarter of 2017, but declining inventories and a wider trade deficit overshadowed consumer's contribution to GDP. The economy expanded at a rate of 2.6%, well below the 3% expected by markets. Even though the headline GDP growth rate was less than expected in Q4, the underlying data suggest that the foundations for continued above-trend growth are still in place. Imports decreased 0.7% in Q3 and then surged 13.9% in Q4. Quarterly swings in imports could be less pronounced going forward. Indeed, a likely slowdown in the growth of imports in the current quarter will probably be positive for GDP growth at the start of the year. As for inflation, PCE was up to 1.7% in 2017 from 1.2% in 2016. Core PCE moved in the other direction, sinking to 1.5% from 1.8%. Core inflation is generally a better indicator of longer run inflation trends. The GDP data did not give any indication that core inflation is about to break out of the narrow 1.3% to 1.9% range of the last five years.
- On the currency front, the US dollar index has depreciated sharply by around 3.6% since the start of the year, which comes on top of last year's sharp decline of nearly 10%. Worries over a shift to protectionist trade policies under President Trump and a desire for a weaker US dollar by the Treasury Secretary have enhanced the sell off early this year. The USD index reached its lowest level in three years last week at 88.438.
- Meanwhile, the Euro appreciated tremendously throughout the week thanks to robust European data and USD weakness. Coupled with strong economic data in the UK, the dollar weakness also opened the way for the Sterling Pound to reach its highest level since the Brexit Referendum.



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2315	1.2360	<b>1.2415</b>	1.2470	1.2535
GBP	1.4040	1.4090	<b>1.4140</b>	1.4195	1.4255
JPY	107.75	108.25	<b>108.73</b>	109.20	109.75
CHF	0.9255	0.9305	<b>0.9355</b>	0.9405	0.9455

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2419	3.56	EUR/GBP	0.8778	(1.09)
GBP/USD	1.4168	4.63	GBP/JPY	153.78	1.10
USD/JPY	108.70	(3.46)	EUR/JPY	135.02	(0.03)
USD/CHF	0.9335	(3.99)	EUR/CHF	1.1597	(0.56)

#### Major Crosses

#### Brief Technical Commentary

The EUR/USD pair moved up to the 1.2493 level during Friday's trading session and currently trading at 1.2415. EUR Resistance is at (1.2515-1.2535) any break above targets 1.2640 and Support is at (1.2295-1.2315) any break below targets 1.2180. The pair is currently Neutral.

The USD/JPY pair moved up to the 109.75 level during Friday's trading session and currently trading at 108.73. USD/JPY Resistance is at (109.75-109.95) any break above targets 110.95 and Support is at (107.75-108.05) any break below targets 106.60. 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	1.57	1.77	1.96	2.25
EUR	-0.42	-0.41	-0.38	-0.34	-0.26
GBP	0.48	0.50	0.53	0.59	0.80
CHF	-0.81	-0.80	-0.74	-0.64	-0.53
AUD	1.67	1.69	1.89	1.97	2.16

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
31-Jan-18	AUD	CPI q/q		0.7%	0.6%
31-Jan-18	USD	ADP Non-Farm Employment Change		191K	250K
31-Jan-18	CAD	GDP m/m			0.0%
31-Jan-18	USD	FOMC Statement			
31-Jan-18	USD	Federal Funds Rate		<1.50%	<1.50%
1-Feb-18	USD	ISM Manufacturing PMI		59.0	59.7
1-Feb-18	GBP	Manufacturing PMI		56.6	56.3
2-Feb-18	USD	Average Hourly Earnings m/m		0.3%	0.3%
2-Feb-18	USD	Non-Farm Employment Change		184K	148K
2-Feb-18	GBP	Construction PMI		52.1	52.2

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.77	2.13	2.50	2.69	2.94
Germany	-0.65	-0.53	-0.03	0.64	1.29
United Kingdom	0.38	0.62	0.96	1.44	1.90
Japan	-0.14	-0.13	-0.08	0.08	0.81

#### Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	67.57	0.33	Dow Jones	26,616.71	223.92
Brent	69.92	(0.03)	Nikkei 225	23,629.34	(2.54)
West Texas	66.26	(0.03)	S&P 500	2,872.87	33.62
Gold	1,348.81	(0.08)	KuwaitSE	6,619.74	(9.37)

#### Global Indices

All information has been sourced from Reuters

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