

Highlights in the Foreign Exchange Market:

- UK Prime Minister Theresa May has postponed the final vote on her Brexit deal after making a clear admission that she believed it "would be rejected by a significant margin". May claimed that many MP's have backed much of the deal she has struck with the EU, however the issue of the Irish border remains to be of large concern for more than 100 MPs which have spoken out against the draft agreement. She will now likely head to Brussels in an attempt to seek new concessions from EU leaders, and rein in a deal that her own party can support. However, it is unclear what European diplomats will be able to do given that they have remained unwilling to consider any deal that leaves open the possibility of a hard border between Ireland and Northern Ireland. The drastic move did not bode well for the pound, as it fell to a 20-month low of 1.2508 after dropping 1.37% on Monday.
- Stocks traded sharply lower on Monday driven by an uncertain US-China trade truce, a delayed Brexit vote, and a flattening yield curve. Apple shares fell 1.2% after a Chinese court agreed to ban Apple iPhone imports and sales in China. Also adding to investors' fears that the truce between the two countries may not be long-lived is the arrest of Huawei's Chief Financial Officer in Canada after allegedly breaking US sanctions law's on Iran. Adding to the decline, UK PM Theresa May's announcement of the delay of a key Brexit vote in the parliament seemed to have dragged stocks to their lows of the day. Meanwhile, the spread between the 2-year and 10-year treasuries have narrowed, signaling an economic slowdown might be ahead. The Dow Jones Industrial Average dropped 500 points, while the S&P 500 dropped 1.7%, breaking below the 2,600 level as both indices are now down more than 3% for the year.
- Though OPEC and partners have decided to cut oil output in an attempt to raise prices, markets remain under pressure by trade tensions and global uncertainties. Following last week's pact between Saudi Arabia, Russia, and other major producers to curb output, the issue remains with high crude production by the United States and pressure from President Trump to keep production high. The reduction of 1.2 million barrels in defiance of Trump's demands aimed to ease concerns as prices were pushed 30% lower in the past 2 months. Oil prices fell on Monday, mirroring the weakness in the global stock market. US West Texas Intermediate crude was down 3.1% at \$51 a barrel, while Brent crude fell 2.7% to \$59.99 a barrel.

Brent Crude
3-Month Performance



S&P 500
3-Month Performance

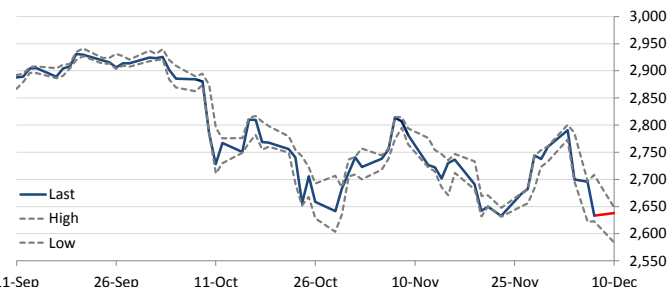


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1265	1.1315	1.1365	1.1415	1.1470
GBP	1.2480	1.2530	1.2583	1.2655	1.2705
JPY	111.95	112.45	113.03	113.55	114.05
CHF	0.9785	0.9825	0.9888	0.9935	0.9990

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1355	(5.33)	EUR/GBP	0.9040	1.76
GBP/USD	1.2559	(7.01)	GBP/JPY	142.34	(6.55)
USD/JPY	113.33	0.41	EUR/JPY	128.70	(4.93)
USD/CHF	0.9903	1.52	EUR/CHF	1.1247	(3.88)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1443 level during Monday's trading session and currently trading at 1.1365. EUR/USD Support is at (1.1215-1.1265) any break below would take the pair to 1.1070. Short term outlook is neutral. However, if the pair breaks the low of the year 1.1213 level it will turn bearish.

USD/JPY: The pair moved up to the 113.36 level during Monday's trading session and currently trading at 113.03. USD/JPY Resistance is at (114.05-114.55) any break above would take the pair to 115.55. Short term and medium term outlook are neutral. However, if the pair breaks the high of the year 114.54 level it will turn bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.31	1.88	2.13	2.38	2.63
USD	2.21	2.42	2.78	2.88	3.08
EUR	-0.44	-0.41	-0.36	-0.33	-0.21
GBP	0.71	0.74	0.91	1.03	1.15
CHF	-0.80	-0.83	-0.74	-0.66	-0.53
AUD	1.60	2.57	2.21	2.12	2.28

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Dec-18	GBP	GBP m/m	0.1%	0.1%	0.0%
10-Dec-18	GBP	Manufacturing Production m/m	-0.9%	0.0%	0.2%
11-Dec-18	GBP	Average Earnings Index 3m/y		3.0%	3.0%
11-Dec-18	USD	PPI m/m		0.0%	0.6%
11-Dec-18	GBP	Parliament Brexit Vote			
12-Dec-18	USD	CPI m/m		0.0%	0.3%
12-Dec-18	USD	Core CPI m/m		0.2%	0.2%
13-Dec-18	CHF	SNB Monetary Policy Assessment			
13-Dec-18	CHF	SNB Press Conference			
13-Dec-18	EUR	ECB Press Conference			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.68	2.73	2.71	2.86	3.13
Germany	-0.67	-0.59	-0.27	0.25	0.84
United Kingdom	0.66	0.67	0.81	1.21	1.70
Japan	-0.17	-0.15	-0.14	0.04	0.79

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	58.53	(1.51)	Dow Jones	24,423.26	0.14
Brent	60.31	(0.03)	Nikkei 225	21,149.62	(0.33)
West Texas	51.02	(0.20)	S&P 500	2,637.72	0.18
Gold	1,246.81	0.18	KuwaitSE	5,160.67	(0.90)

All information has been sourced from Reuters.

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