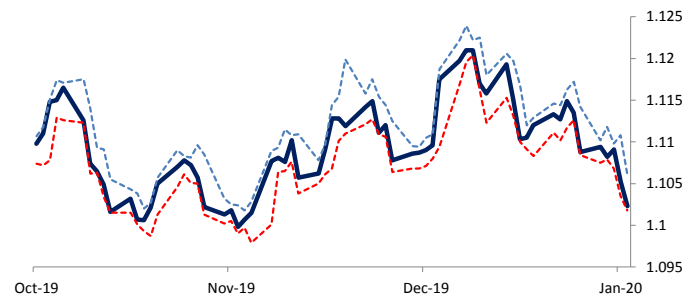


Highlights in the Foreign Exchange Market:

- Almost three months after becoming ECB president, Christine Lagarde revealed the framework for the review that she aims to finalize by December 2020 and which promises to trigger bruising debates on some of the most divisive issues in central banking. The ECB kept its loose monetary policy unchanged last Thursday, and mentioned they will consider the inflation target along with the tools used to achieve the target. Ms Lagarde said on Thursday it would be a "broad exercise" and that the ECB "cannot operate as we did back in 2003" — the only other time it has carried out a review. She also added that the growth outlook in the region is tilted to the downside with less stress on risks after a moderate increase in inflation and the phase one agreement between the US and China.
- One cloud over the ECB's rate-setting meeting came from the German constitutional court, which is considering whether the central bank's €2.6 trillion bond-buying programme is legal. The court announced on Thursday that it would give its ruling in the case on March 24.
- On the FX front, the dollar index gained some momentum last week and increased by 0.22% and reached a 7-week high of 97.946 following the drop in Euro and the market's expectation of a cut by the Bank of England in its next meeting. Following the ECB meeting the euro fell to a 7-week low of 1.1018 as market participants digested the dovish stance of the ECB.
- Stocks saw their sharpest drop since October as nervousness mounts around a virus outbreak from China. Losses in US stocks were broad, with 420 members of the S&P 500 trading in the red. Airline companies slid, with American Airlines Group Inc. and United Airlines Holdings among the biggest losers in the S&P 500, which dropped more than 1.5%.

EUR/USD
3 Month Performance



S&P 500
3 Month Performance

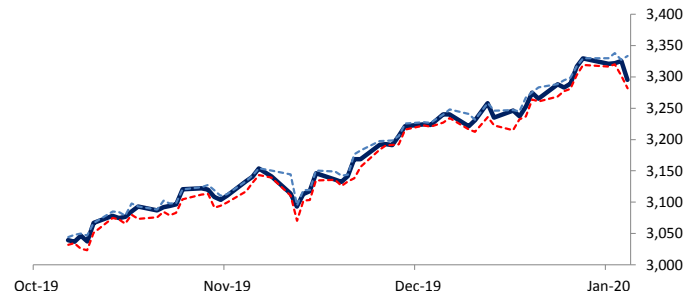


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0880	1.0950	1.1023	1.1110	1.1170
GBP	1.2875	1.2960	1.3077	1.3180	1.3270
JPY	107.65	108.25	109.27	110.30	111.05
CHF	0.9540	0.9610	0.9710	0.9810	0.9910

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1023	(1.67)	EUR/GBP	0.8431	0.00
GBP/USD	1.3076	(1.37)	GBP/JPY	142.91	0.08
USD/JPY	109.2700	0.38	EUR/JPY	120.44	(1.24)
USD/CHF	0.9710	0.33	EUR/CHF	1.0705	0.00

Major Crosses

Brief Technical Commentary

EUR/USD:The pair moved down to the 1.1018 level during Friday's trading session and closed the week at 1.1023. EUR/USD Supports are at (1.0880-1.0950) any break below would take the pair down to 1.0770. Short term outlook is Bearish.

GBP/USD:The pair moved down to the 1.3055 level during Friday's trading session and closed the week at 1.3077. GBP/USD Supports are at (1.2875-1.2960) any break below would take the pair down to 1.2775. Short term outlook is Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.25	2.56	2.75	3.00	3.19
USD	1.56	1.66	1.80	1.81	1.88
EUR	-0.54	-0.50	-0.42	-0.37	-0.28
GBP	0.67	0.63	0.69	0.75	0.80
CHF	-0.79	-0.76	-0.67	-0.62	-0.49
AUD	0.85	0.90	0.94	0.95	0.97

Economic Events

Date	Country	Event	Actual	Forecast	Previous
24-Jan-20	EUR	ECB President Lagarde Speaks			
27-Jan-20	EUR	German Ifo Business Climate			
28-Jan-20	USD	CB Consumer Confidence		128.2	126.5
29-Jan-20	AUD	CPI q/q		0.6%	0.5%
29-Jan-20	USD	FOMC Statement			
29-Jan-20	USD	Federal Funds Rate		<1.75%	<1.75%
30-Jan-20	GBP	BOE Monetary Policy Report			
30-Jan-20	GBP	Official Bank Rate		0.75%	0.75%
30-Jan-20	USD	Advance GDP q/q		2.2%	2.1%
31-Jan-20	CNY	Manufacturing PMI		50.1	50.2

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.53	1.49	1.51	1.68	2.13
Germany	-0.65	-0.62	-0.59	-0.34	0.18
United Kingdom	0.48	0.40	0.39	0.56	1.07
Japan	-0.15	-0.15	-0.14	-0.04	0.39

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	62.99	(0.85)	Dow Jones	28,989.73	(0.58)
Brent	60.69	(2.18)	Nikkei 225	23,827.18	0.13
West Texas	54.19	(2.52)	S&P 500	3,295.47	(0.90)
Gold	1,570.37	0.47	KuwaitSE	6,369.11	0.16

Global Indices

All information has been sourced from Reuters.

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 (TELEX : 46811 - FAX +965 2241 9720).