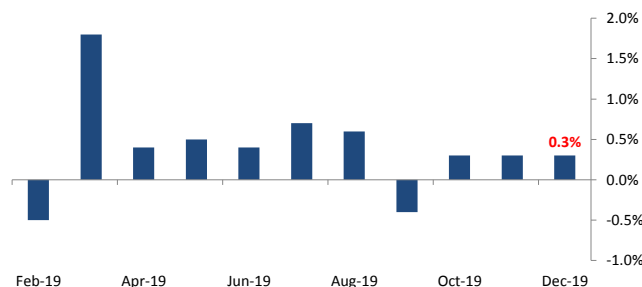


US Retail Sales m/m
1 Year Performance



Highlights in the Foreign Exchange Market:

- American consumers ended 2019 on a solid footing, which supported retail sales in the final month of the year. Retail sales increased for a third consecutive month in December and registered a 0.3% m/m reading. Control sales, which ignore items like vehicles, petrol and building materials, soared by 0.5%, the largest surge since July and surpassed expectations for a 0.4% increase. It is evident in the data that US shoppers have been lifting the economy through consumer spending, which accounts for more than two-thirds of US economic activity. However, recent economic figures revealed that consumer spending is losing some momentum after recording a 3.2% annualized rate in Q3. Economists expect that consumer spending will diminish to around 2.5% in Q4, combined with weaker wages seen in the latest labor report may pressure future sales data. In conclusion, the recent sales data are mostly optimistic and is supporting the economy to offset the weaknesses seen in the manufacturing sector.
- The Sterling pound's downward trajectory witnessed at the start of the year has gathered further momentum last week as expectations for a rate cut soared. At the commencement of 2020, the UK rate market attached less than a 10% probability for a rate cut on January 30, which is now hovering around 65%. Three MPC members have verbally stated to back a rate cut this month and two more members are needed to seal the deal. Dovish MPC member Gertjan Vlieghe stated that he would vote for a rate cut later this month if key data do not show a bounce in the economy. Likewise, earlier dovish remarks from the BoE Governor and MPC Silvana Tenreiro had already signaled that a rate cut at the end of this month is more than just talk.

GBP/USD
3 Month Performance

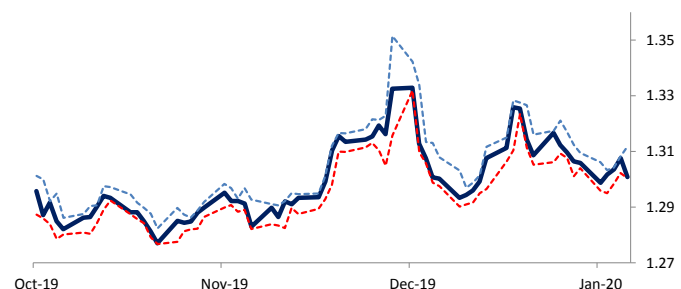


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0880	1.0980	1.1088	1.1170	1.1240
GBP	1.2775	1.2910	1.3013	1.3125	1.3210
JPY	108.25	109.15	110.14	111.05	112.00
CHF	0.9480	0.9575	0.9680	0.9765	0.9830

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1088	(1.09)	EUR/GBP	0.8520	0.78
GBP/USD	1.3008	(1.85)	GBP/JPY	143.28	0.34
USD/JPY	110.1400	1.18	EUR/JPY	122.12	0.14
USD/CHF	0.9680	0.02	EUR/CHF	1.0730	(1.12)

Brief Technical Commentary

EUR/USD:The pair moved down to the 1.1084 level during Friday's trading session and closed the week at 1.1088. EUR/USD Supports are at (1.0880-1.0980) any break below would take the pair down to 1.0770. Short term outlook is Neutral.

GBP/USD:The pair moved down to the 1.3004 level during Friday's trading session and closed the week at 1.3013. GBP/USD Supports are at (1.2775-1.2910) any break below would take the pair down to 1.2660. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.19	2.50	2.75	2.94	3.19
USD	1.56	1.65	1.82	1.84	1.92
EUR	-0.55	-0.50	-0.42	-0.36	-0.27
GBP	0.70	0.65	0.70	0.74	0.80
CHF	-0.79	-0.77	-0.68	-0.64	-0.50
AUD	0.90	0.85	0.90	0.93	1.02

Economic Events

Date	Country	Event	Actual	Forecast	Previous
16-Jan-20	USD	Core Retail Sales m/m	0.7%	0.5%	0.1%
16-Jan-20	USD	Retail Sales m/m	0.3%	0.3%	0.2%
16-Jan-20	EUR	ECB President Lagarde Speaks			
17-Jan-20	CNY	GDP q/y	6.0%	6.0%	6.0%
17-Jan-20	GBP	Retail Sales m/m	-0.6%	0.8%	-0.6%
21-Jan-20	JPY	BOJ Outlook Report			
21-Jan-20	JPY	Monetary Policy Statement			
22-Jan-20	CAD	CPI m/m			-0.1%
22-Jan-20	CAD	BOC Monetary Policy Report			
22-Jan-20	CAD	Overnight Rate		1.75%	1.75%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.54	1.56	1.62	1.82	2.28
Germany	-0.61	-0.60	-0.52	-0.22	0.29
United Kingdom	0.48	0.41	0.41	0.62	1.15
Japan	-0.15	-0.15	-0.11	-0.01	0.45

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	66.86	0.02	Dow Jones	29,348.10	0.17
Brent	64.85	0.36	Nikkei 225	24,041.26	0.45
West Texas	58.54	0.03	S&P 500	3,329.62	0.39
Gold	1,556.20	0.24	KuwaitSE	6,351.20	(0.01)

All information has been sourced from Reuters.

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