



#### Highlights in the Foreign Exchange Market:

- The Trump administration on Monday lifted its designation of China as a currency manipulator, adding the nation has made “enforceable commitments” not to devalue to yuan and has agreed to publish exchange-rate information. Treasury Secretary Steven Mnuchin first formally attached the label to China in August, a move that caused further escalation in the trade war. The shift in stance by the US comes just two days before the two are set to sign a phase-one trade agreement in Washington. Equities rose, Treasury yields edged higher, while the yen fell past 110 per dollar.
- Technology shares pushed US stocks to record highs supported by Apple, Tesla, and Microsoft. The S&P 500 and Nasdaq Composite Index both saw all-time highs and gains extended following the positive rhetoric with China. Looking ahead, this week the biggest American financial institutions will kick off earnings season and many expect corporate profits to drop for a second straight quarter.
- The UK economy contracted more than expected in November with a 0.3% m/m decline in GDP following 0.1% in the prior term. Most major sectors of the economy recorded a drop in output, including the country’s typically dominant services industry which includes retail, hotels, and finance. Manufacturing production led the decline with a 1.7% decrease. Three members of the BOE’s rate-setting committee signal that the weakness in the economy could warrant an interest rate cut at the next meeting. Moving forward the MPC seems to be split between those who believe data will rebound once political uncertainty recedes, and those who remain skeptical. The GBP/USD pair reacted with a drop to an 11-day low of 1.2959.

#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1035	1.1085	1.1137	1.1195	1.1245
GBP	1.2885	1.2930	1.2993	1.3045	1.3095
JPY	109.10	109.65	110.08	110.60	111.10
CHF	0.9610	0.9660	0.9710	0.9760	0.9815

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1133	(0.66)	EUR/GBP	0.8572	1.41
GBP/USD	1.2988	(2.08)	GBP/JPY	142.78	0.13
USD/JPY	109.9300	1.10	EUR/JPY	122.40	0.52
USD/CHF	0.9707	0.32	EUR/CHF	1.0806	(0.33)

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1146 level during Monday's trading session and currently trading at 1.1137. EUR/USD Supports are at (1.1035-1.1085) any break below would take the pair down to 1.0980. Short term outlook is Neutral.

GBP/USD: The pair moved down to the 1.2959 level during Monday's trading session and currently trading at 1.2993. GBP/USD Supports are at (1.2885-1.2905) any break below would take the pair down to 1.2825. 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	1.68	1.84	1.87	1.97
EUR	-0.55	-0.50	-0.42	-0.36	-0.27
GBP	0.69	0.69	0.78	0.84	0.93
CHF	-0.79	-0.77	-0.68	-0.62	-0.48
AUD	0.75	0.85	0.92	0.97	1.06

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
13-Jan-20	GBP	GDP m/m	-0.3%	0.0%	0.1%
13-Jan-20	GBP	Manufacturing Production m/m	-1.7%	-0.3%	0.5%
14-Jan-20	USD	CPI m/m		0.2%	0.3%
14-Jan-20	USD	Core CPI m/m		0.2%	0.2%
15-Jan-20	GBP	CPI y/y		1.5%	1.5%
16-Jan-20	USD	Core Retail Sales m/m		0.5%	0.1%
16-Jan-20	USD	Retail Sales m/m		0.3%	0.2%
16-Jan-20	EUR	ECB President Lagarde Speaks			
17-Jan-20	CNY	GDP q/y		6.0%	6.0%
17-Jan-20	GBP	Retail Sales m/m		0.8%	-0.6%

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.52	1.59	1.66	1.85	2.31
Germany	-0.62	-0.60	-0.49	-0.20	0.35
United Kingdom	0.52	0.47	0.52	0.75	1.25
Japan	-0.13	-0.13	-0.10	0.01	0.45

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	66.68	(0.99)	Dow Jones	28,907.05	0.29
Brent	64.27	0.11	Nikkei 225	24,002.83	0.64
West Texas	58.11	0.05	S&P 500	3,288.13	0.70
Gold	1,537.94	(0.65)	KuwaitSE	6,230.23	0.00

All information has been sourced from Reuters.

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