NBK Money Markets Report

Trade war worries dictate markets as Trump speech rattles investors

BoE policymakers slash British growth outlook

KUWAIT: President Trump delivered his State of the Union address last week. Trump's speech revealed he would meet with North Korean leader Kim Jung Un at the end of February, send more troops to the US-Mexico border. He also spoke about the investigation into the 2016 presidential campaign. Moreover, Trump said he will not meet Chinese President Xi Jinping before the 1st of March deadline and said that they will "maybe" meet later. In January Trump told reporters that he is planning on meeting President Xi in late February and there was a "good chance" of striking a deal. The clock seems to be running down on both countries and negotiators to reach an agreement before the deadline. The Trump administration is set to double tariffs on $200 billion worth of Chinese goods, however an extension to the March 1 deadline is still on the table.

Equities, fixed income and forex

Trump's speech in the State of the Union provided very little for markets to lean on, the S&P 500 gained a mere 0.05 percent and the Dow Jones Industrial Average finished the week flat with 0.17 percent higher. Companies reported earnings which drew mixed responses. Electronic Arts and Take-Two Interactive - the two biggest fallers for the S&P 500 - shed more than 13 percent after revealing disappointing sales forecasts. General Motors rose 3.7 percent after profits fell less than expected for the final quarter. Safe haven US Treasuries were the asset of choice for investors after trade-war rhetoric came back on the table with rising uncertainties. The 10 and 30 year treasury yields both fell by 4 basis points by the end of the week as a result.

Nevertheless, the dollar index had a bull-run last week after opening the week at 95.600 and continued to gain against a basket of currencies on every trading session heading into Friday. The dollar gained as much as 1.15 percent during the week as weaker data kept surfacing from Europe and the UK.

US services sector

US service industries began 2019 on a softer note as a gauge of new orders dropped sharply in January to a one-year low, though a gain in employment signaled support for demand. The ISM-non-Manufacturing PMI index fell to 56.7 in January from a 57.6 reading in December of last year and well below the forecasted reading of 57.2. January's reading is the lowest since July 2018, and economists attribute it to the tax-cut boost fading and the renewed worries of trade wars weighing on business plans.

BOE cuts growth forecast

The Bank of England held its latest meeting last Thursday where members of the Monetary Policy Committee voted unanimously (9-0) to keep policy unchanged and interest rates at 0.75 percent. It also kept QE and corporate bond purchases unchanged at GBP 435 billion and GBP 10 billion respectively. The members of the MPC also highlighted their concerns over the looming uncertainty over Brexit, which in their opinion, had intensified since November leading to a hit on investment spending. The committee also noted that despite higher wage growth, UK consumers will act more cautiously as a measure to the development of the Brexit rhetoric.

When it comes to growth forecasts, the Bank of England slashed their outlook on growth this year to the lowest since 2009; the BOE expects growth to be only at 1.20 percent. The weaker near-term outlook appears to largely reflect two factors. First, the MPC has lowered its forecast for world GDP growth over the next two years. This is unsurprising given the weakness in the data, particularly across Europe, over the past couple of months. Second, the MPC estimates Brexit-related uncertainty - which has shown up in business investment in particular - is restraining demand by more than previously thought.

The Sterling pound had a volatile week opening the week at 1.3109 and started losing ground to the US dollar. The cable depreciated to as much as 1.94 percent to reach 1.2854 during Thursday trading session after the BOE meeting and closed the week at 1.2944.

A slide in UK services sector

The UK's service sector in January grew at the slowest pace since July 2016 at 50.1, down from 51.2 recorded in December. A reading below the 50 threshold indicates a contraction in the sector. Overall, the data advocates that the British service sector is flat-lining and the recent figure burdened the Bank of England officials as they met last Thursday to decide on their monetary strategy.

Brexit deadline and the EU

The United Kingdom is moving closer and closer towards its deadline to leave the EU on March 29. Unless Prime Minister May manages to convince the bloc to reopen the divorce agreement she reached in November and finds a way to sell it to the skeptical British lawmakers, the UK seems to be going on the path towards a no-deal Brexit. European Council President Donald Tusk last Wednesday revealed blunt language which showed that European leaders are frustrated over the rejection of May's divorce deal by the British Parliament. Tusk said that he had abandoned the hope he has often expressed that Britain's exit might be stopped, and that his priority now is to avert a "fiasco" when it leaves.

Europe's weaker economic data

After the recent alarming GDP figures from Italy put the economy in recession mode, all eyes were on the economic data of the EU. Europe's composite PMI edged lower to 51.0 in January from 51.1 reading in December. Additionally, activity in France and Italy were at alarming deteriorating levels of 48.2 and 48.8 respectively. Manufacturing was the primary source of output weakness during January. Whilst service sector growth was unchanged since December at around a four-year low, production in manufacturing rose only slightly and at the weakest rate in over five and-a-half years of growth.

RBA holds monetary policy

The Royal Bank of Australia kept its cash rate unchanged at 1.5 percent in February's monetary policy meeting (as it has done since August 2016 - a record low for the RBA). The Central Bank also downgraded its GDP growth forecasts over the next two years; citing risks for both domestic and global economies have increased. The RBA expects inflation to eventually return to 2.5 percent - the midpoint of its 2-3 percent target - despite a list of indicators suggesting momentum in the economy is slowing. Currently, inflation is at 1.9 percent compared to 2.1 percent in the previous month. Financial markets seem unconvinced, pricing in around a 50 percent chance that the cash rate will be reduced by 25 basis points by the end of 2019.

Last Wednesday, RBA's Philip Lowe delivered comments that a rate cut was likely due to growing concerns over the local economy. For months, Lowe had maintained a lift in the cash rate was the most likely move, and the shift in tone has devastated the Australian Dollar. The AUD saw its largest one-day percentage decline in over 2 years.

Kuwait

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USD/KWD opened at 0.30340 yesterday morning.

Bayt.com weekly report

Here's how to have a stress-free job search

It is very well known that each person responds to stress in a different way, and as a matter of fact, stress while job hunting can be quite helpful, to a certain extent. Not mental breakdown level stress, but the kind of stress that keeps you on your toes. It just goes to show that you care, and being stressed can help you increase your attention to detail during the whole process from getting your CV ready to filling out an application form.

However, stress can certainly have a negative effect on you as well. It can make you take the wrong decisions and even put you off the whole job hunt. Stress can cause anxiety and anxiety can cause procrastination. A crippling cycle that everyone must avoid being sucked into.

So, experts at Bayt.com have prepared a list of 4 ways you can have a stress-free job search:

1. Organize yourself

If you want to feel less anxious about your job search, one of the first things you can do is to get your act together, get organized and form a schedule. You can get this done by getting a calendar and/or agenda and spread out your tasks according to your goals for the week. For example, Sunday and Monday can be for searching and applying for jobs, Tuesday can be for following up with jobs that you have previously applied to, Wednesday can be for reviewing and editing your CV and cover letter, and so on. Also, give yourself a break as well, employees get the weekend off, and you should too? Not to mention that, getting organized can also get you prepared for a call at any moment.

2. Prioritize your job search

With over 20,000 jobs on Bayt.com job seekers can get overwhelmed by the amount of jobs there are out there in the market and start applying to as many as possible to increase the chances of getting hired, which can lead to stress. In order for job seekers to reduce their stress they should review all the jobs that they are actually interested in, form a shortlist and prioritize the jobs that they see fit for them and that actually are within their skill reach. This way they can spend their effort and time on the ones that matter.

3. Go easy and be patient

You should always remember that you're not a robot, you can't expect to achieve all that you want from the get-go. Job hunting can be a lengthy process that includes a lot of learning on the go. The more jobs you search and apply for, the more familiar you are with the process and the faster and more relaxed you will be with the whole process. Also, there are different stages of the job search process and each needs different amounts of time, you can't do it all at once.

4. Give yourself credit

You're trying to enhance your job search. You're putting in the effort and you should be proud of yourself for doing that and appreciate the fact that you're actually getting something done. Not to mention the fact that appreciating yourself can make you feel more motivated to put in even more effort.

Infiniti Al-Babtain invites customers to benefit from exclusive leasing offer

KUWAIT: Abdulmohsen Abdulaziz Al-Babtain Co (AABC), the sole authorized dealer of Infiniti vehicles in the State of Kuwait, continues to offer its loyal fans exclusive leasing deal that accompanies the purchase of models ranging from Infiniti Q50 to QX80 at the Al-Rai showroom.

Starting at a leasing price of KD 169 per month, the Q50 is driver centric, powerfully elegant coupled with a striking performance and is available with 2.0-liter 208HP turbocharged engine. The Infiniti Q50 is also available at 3.0 liter Turbo generating 300 HP. The INFINITI Q50's fuel efficient engine is designed to offer enhanced performance while maintaining high levels of efficiency. The steering wheel is sleeker and more performance based than ever, ensuring flawless drivability that triggers the senses. The Q50 delivers a confidence-inspiring and personalized experience behind the wheel, which epitomizes INFINITI's dedication to developing innovative driving technologies.

A family-friendly, high performance car - the QX60 starts at a leasing rate of KD 275 per month - it reflects the concept of high-end hybrid cars, and is designed to be a masterpiece of all standards. This innovative icon is equipped with a Rear Entertainment System with dual 8-inch monitors and wireless headphones followed by a 295-horsepower, 3.5-LITER V6 direct injection engine. From the double-arch grille to the LED taillights that accentuate the D-pillar, the confident curves captivate attention not usually given to a 7-passenger SUV.

Now starting at KD 369 per month, the QX80 has a refined and spacious cabin that features high-quality materials, a hand-crafted finish and advanced drive-assist technologies. With a taut yet comfort-oriented suspension, and ample performance from its 5.6-liter V8 engine, the QX80 gives drivers an assured feeling of control and confidence at the wheel. The rear entertainment system has also been upgraded. Higher-resolution screens provide the interface for connectivity and entertainment devices. The system also now supports 31 languages, up from three in the outgoing QX80.

Infiniti Al-Babtain encourages its customers to explore the advantage of the exclusive deal by visiting the designated showroom located in Al-Rai.

About Al-Babtain Group:

Al-Babtain Group was founded in 1948 to present a model of honesty, integrity and total dedication and to gain bright reputation in Kuwait and the Middle East area. Today Al-Babtain Group has licensing rights for some of the world's leading brands stretching the globe from the USA to the Far East. For 70 years Al-Babtain Group has experienced continued success, and large measure of this success came from the Group's advanced flexible management style and long term vision. These astounding results were achieved due to a versatile strategic formula focusing on growth amongst its sphere of activities; including automotive, technology, investment, information, industrial and Finance. The automotive sector is the main structure of the Al-Babtain Group's business, which owns some of the best selling and demanded brands in Kuwait, in addition to heavy equipments. The Abdulmohsen Abdulaziz Al-Babtain Co. and Trading and Contracting Company is proud to be the authorized agent and distributor of many Japanese, Chinese, and European (French) vehicles in Kuwait such as Nissan, Infiniti, Renault, Citroen.

EXCHANGE RATES

Al-Muzaini Exchange Co.

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	304.250
Euro	348.520
Sterling Pound	397.200
Canadian dollar	231.110
Turkish lira	59.080
Swiss Franc	306.860
US Dollar Buying	296.950

ASIAN COUNTRIES	
Japanese Yen	2.774
Indian Rupees	4.276
Pakistani Rupees	2.220
Srilankan Rupees	1.706
Nepali Rupees	2.663
Singapore Dollar	225.960
Hongkong Dollar	38.775
Bangladesh Taka	3.576
Philippine Peso	5.839
Thai Baht	9.700
Malaysian ringgit	77.813

GCC COUNTRIES	
Saudi Riyal	81.187
Qatari Riyal	83.620
Omani Riyal	790.773
Bahraini Dinar	808.420
UAE Dirham	82.891

ARAB COUNTRIES	
Egyptian Pound - Cash	19.850
Egyptian Pound - Transfer	17.167
Yemen Riyal/for 1000	1.220
Tunisian Dinar	103.630
Jordanian Dinar	428.370
Lebanese Lira/for 1000	0.022
Syrian Lira	0.000
Morocco Dirham	32.372

Dollarco Exchange Co. Ltd

Rate for Transfer	Selling Rate
US Dollar	303.890
Canadian Dollar	229.580
Sterling Pound	395.595
Euro	346.565
Swiss Frank	306.710
Bahrain Dinar	808.155
UAE Dirhams	83.140
Qatari Riyals	84.380
Saudi Riyals	81.935
Jordanian Dinar	429.905
Egyptian Pound	17.284
Sri Lankan Rupees	1.707
Indian Rupees	4.262
Pakistani Rupees	2.198
Bangladesh Taka	3.622
Philippines Pesso	5.838
Cyprus pound	18.080
Japanese Yen	3.770
Syrian Pound	1.590
Nepalese Rupees	2.669
Malaysian Ringgit	75.570
Chinese Yuan Renminbi	45.530
Thai Bhat	10.650
Turkish Lira	58.310
Singapore dollars	223.154

BAHRAIN EXCHANGE COMPANY WLL

CURRENCY	BUY	SELL
Europe		
British Pound	0.387417	0.401317
Czech Korune	0.005377	0.014677
Danish Krone	0.042174	0.047174
Euro	0. 337924	0.351624
Georgian Lari	0.131976	0.131979
Hungarian 0.001147	0.001337	
Norwegian Krone	0.031367	0.036587
Romanian Leu	0.065191	0.082041
Russian ruble	0.004641	0.004641
Slovakia	0.009092	0.019092
Swedish Krona	0.028852	0.033852
Swiss Franc	0.298158	0.0309158
Australasia		
Australian Dollar	0.207824	0.219824
New Zealand Dollar	0.199503	0.209003
America		
Canadian Dollar	0.224094	0.233094
US Dollars	0.300150	0.305450
US Dollars Mint	0.300650	0.305450
Asia		
Bangladesh Taka	0.003051	0.003852
Chinese Yuan	0.043604	0.047104
Hong Kong Dollar	0.037017	0.039767
Indian Rupee	0.003726	0.004498
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002689	0.002869
Korean Won	0.000261	0.000276
Malaysian Ringgit	0.070951	0.076951
Nepalese Rupee	0.002608	0.002948
Pakistan Rupee	0.001567	0.002337
Philippine Peso	0.005780	0.006080
Singapore Dollar	0.219139	0.229138
Sri Lankan Rupee	0.001340	0.001920
Taiwan	0.010155	0.010335
Thai Baht	0.009352	0.009902
Vietnamese Dong	0.00013	0.00013
Arab		
Bahraini Dinar	0.792459q	0.808959
Egyptian Pound	0.017108	0.019708
Iranian Riyal	0.000084	0.000085
Iraqi Dinar	0.000211	0.000271
Jordanian Dinar	0.424827	0.433827
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000157	0.000257
Moroccan Dirhams	0.021728	0.045728
Omani Riyal	0.783942	0.789622
Qatar Riyal	0.079280	0.084220
audi Riyal	0.080047	0.081347
Syrian Pound	0.001290	0.001610
Tunisian Dinar	0.095680	0.103680
Turkish Lira	0.051375	0.062875
UAE Dirhams	0.081411	0.083111
Yemeni Riyal	0.000989	0.001069