Treasury Group

Treasury Newsletter

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Highlights in the Foreign Exchange Market:

- Asian Equity markets opened in negative territory this morning after yesterday's drop in Wall Street. Growing doubts about President Donald Trump's economic growth agenda, motivated investors to sell risky assets and jump into safe haven assets pushing the US 10 year yield down 20 basis points. The Nikkei this morning fell 1.95% as the US dollar depreciated to a four month low against the Yen at 111.65. In the US, Wall Street embraced its worst day this year on Tuesday after markets doubted Trump's promised tax cuts. The Dow Jones and S&P 500 ended Tuesday's session lower by 1.14% and 1.24%.

- In the UK, the standard of living continues to decline as inflation was elevated to a three-and-a-half-year high. The rise in inflation is mainly attributed to an increase in food and oil prices after the Sterling pound depreciated by 17% since the vote to leave the EU. In details, the consumer price index in February rose by 0.5% from the previous month and marking the year to year rise at 2.3%. Inflation is currently above the BoE's mandate of 2% and expects inflation to head toward 2.8% next year. The Sterling Pound appreciated by 0.9% to 1.2465 after the data release and remains near the highs this morning.

- In Asia, Japan's trade surplus rebounded to JPY 680.3bn in February as Japanese exports rose for the third straight month, by 11.3%, and imports improved by 1.2%. Japan's CPI inflation remains at just +0.4% on a yearly basis versus around +2% in the US and Europe. The latest Japanese economic data continue to impress and show an expansion in the first quarter of 2017, mainly led by solid exports and firmer capital expenditure.

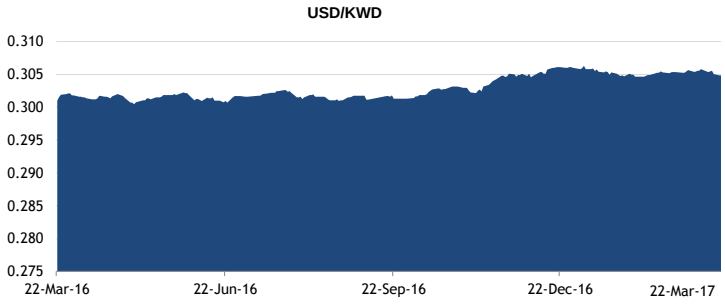

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0720	1.0765	**1.0801**	1.0840	1.0875
GBP	1.2390	1.2430	**1.2476**	1.2500	1.2540
JPY	110.70	111.15	**111.59**	112.20	112.60
CHF	0.9860	0.9905	**0.9936**	0.9970	1.0020

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.0808	2.74
GBP/USD	1.2477	1.14
USD/JPY	111.71	(4.49)
USD/CHF	0.9936	(2.35)

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8659	1.62
GBP/JPY	139.38	(3.31)
EUR/JPY	120.75	(2.10)
EUR/CHF	1.0742	0.16

Brief Technical Commentary

EUR/USD: pair advanced to 1.0820 during Tuesday's trading session and currently sets at 1.0801, EUR Resistance is at (1.0840-1.0875), any break above targets 1.0950. The pair is currently Bullish.

USD/JPY: pair retreated to 111.43 during Tuesday's trading session and currently sits at 111.59. USD/JPY Support is at (111.15-110.70) window, break below targets 109.85. the pair is currently Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.88	1.31	1.56	1.81	2.13
USD	0.95	0.98	1.16	1.43	1.82
EUR	-0.41	-0.39	-0.36	-0.25	-0.11
GBP	0.24	0.26	0.34	0.50	0.74
CHF	-0.79	-0.79	-0.73	-0.66	-0.50
AUD	2.78	2.86	2.95	3.05	3.33

Economic Events

Date	Country	Event	Actual	Forecast	Previous
21-Mar-17	USD	President Trump Speaks	-	-	-
21-Mar-17	AUD	Monetary Policy Minutes	-	-	-
21-Mar-17	GBP	CPI y/y	2.3%	2.1%	1.8%
21-Mar-17	USD	FOMC Dudley Speaks	-	-	-
21-Mar-17	CAD	Core Retail Sales m/m	1.7%	1.3%	-0.5%
22-Mar-17	USD	Crude Oil Inventories	-	-	-0.2M
22-Mar-17	NZD	RBNZ Statement	-	-	-
23-Mar-17	GBP	Retail Sales m/m	-	0.4	-0.3
24-Mar-17	CAD	CPI m/m	-	-	0.9
24-Mar-17	USD	Core Durable Goods	-	0.5%	0.0

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.97	1.26	1.95	2.42	3.03
Germany	-0.92	-0.76	-0.30	0.46	1.18
United Kingdom	0.09	0.13	0.62	1.25	1.82
Japan	-0.30	-0.27	-0.15	0.05	0.83

Commodities

Index	Last Price	% Change
Kuwait Oil	48.38	-2.36
Brent	50.75	-0.21
West Texas	48.03	-0.21
Gold	1,245.06	0.05

Global Indices

Index	Last Price	Change
Dow Jones	20,668.01	(237.85)
Nikkei 225	19,092.61	(363.27)
S&P 500	2,344.02	(29.45)
KuwaitSE	6,881.20	12.37

All information has been sourced from Reuters

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