

Highlights in the Foreign Exchange Market:

- A day after the historic meeting between US President Donald Trump and his North Korean counterpart Kim Jong Un, investors are focused on the upcoming Fed meeting. Markets seem confident in their expectation of a rate hike, which would be the second this year. US equities were mixed on Tuesday, with the Dow Jones down 0.01% while the S&P 500 2.17%.
- Meanwhile, consumer price data in the United States increased slightly at a level of 0.2% m/m. The figure was mostly in line with expectations, and suggests that policy-makers will go ahead with a rate hike on Wednesday. On a yearly basis, inflation accelerated at a pace of 2.8%, the largest gain since 2012. Note that steadily rising inflation and a tightening labor market are perceived as reassuring signs of further rate hikes as the Federal Reserve continues with its move away from recession-era policies. Markets will also be looking for signs as to whether FOMC members believe whether or not a fourth hike is warranted before the end of the year.
- Sixteen months after OPEC and its allies decided to collectively cut output in order to end a global oil glut, figures finally show that said glut has ended. Even though the goal has been accomplished, OPEC's meeting next week is not expected to carry a congratulatory tone. Geopolitical tensions have flared after a US official asked Saudi Arabia to pump more oil in order to offset Iran's supply disruptions. The US fears that output disruptions from Iran & Venezuela may put a strain on global supply levels, sending oil prices soaring even more.

Commodities Brent Crude



Economic Indicator US Inflation (y/y)



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1635	1.1685	1.1737	1.1790	1.1845
GBP	1.3255	1.3300	1.3357	1.3410	1.3460
JPY	109.45	110.10	110.60	111.10	111.50
CHF	0.9785	0.9830	0.9881	0.9935	0.9980

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1743	(2.11)	EUR/GBP	0.8781	(0.97)
GBP/USD	1.3370	(1.22)	GBP/JPY	147.57	(2.98)
USD/JPY	110.36	(1.87)	EUR/JPY	129.62	(3.94)
USD/CHF	0.9866	1.35	EUR/CHF	1.1587	(0.78)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1809 level during Tuesday's trading session and currently trading at 1.1737. EUR/USD Resistance is at (1.1825-1.1845) any break above targets 1.1940 and Support is at 1.1635 level marking the 350 Simple Moving Average any break below targets 1.1515. The pair is currently Neutral.

USD/JPY: The pair moved up to the 110.49 level during Tuesday's trading session and currently trading at 110.60 USD/JPY Resistance is at (111.30-111.50) any break above targets 112.35 and support is at 109.45 level marking the 150 Simple Moving Average any break below targets 108.15. The pair is currently Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.69	1.94	2.19	2.44
USD	1.94	2.06	2.34	2.50	2.76
EUR	-0.42	-0.40	-0.35	-0.31	-0.23
GBP	0.49	0.50	0.63	0.76	0.94
CHF	-0.79	-0.79	-0.73	-0.64	-0.52
AUD	1.34	2.05	1.91	2.08	2.20

Economic Events

Date	Country	Event	Actual	Forecast	Previous
11-Jun-18	GBP	Manufacturing Production	-1.4%	0.3%	-0.1%
12-Jun-18	GBP	Average Earnings Index	2.5%	2.5%	2.6%
12-Jun-18	USD	CPI m/m	0.2%	0.2%	0.2%
13-Jun-18	GBP	CPI y/y		2.4%	2.4%
13-Jun-18	USD	FOMC Meeting			
14-Jun-18	GBP	Retail Sales		0.5%	1.6%
14-Jun-18	EUR	ECB Meeting			
14-Jun-18	USD	Retail Sales m/m		0.4%	0.3%
15-Jun-18	JPY	Bank of Japan Meeting			
15-Jun-18	EUR	Final CPI y/y		190K	164K

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.30	2.54	2.81	2.96	3.10
Germany	-0.69	-0.63	-0.15	0.48	1.17
United Kingdom	0.63	0.73	1.09	1.39	1.84
Japan	-0.14	-0.14	-0.11	0.04	0.72

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	72.98	(0.46)	Dow Jones	25,320.73	(1.58)
Brent	73.95	(0.03)	Nikkei 225	22,966.38	88.03
West Texas	66.38	0.00	S&P 500	2,786.85	4.85
Gold	1,294.41	(0.09)	KuwaitSE	4,811.20	23.67

Global Indices

All information has been sourced from Reuters.

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