

Highlights in the Foreign Exchange Market:

- US and Canadian officials vowed to negotiate on a NAFTA revamp next week, providing hopes that trade disputes may end soon. However, amid the break from talks President Trump set out a number of tweets that crushed optimism as he lashed out at Canadian "dishonest reporting". While the US and Mexico have agreed on a set of requirements, what remains unclear is how the US and Canada will handle talks on agriculture – a key point of disagreement. Trump has urged Canada to dismantle its "supply management" system, which sustains Canada's dairy and poultry farmers creating an "inability" to scrap the system entirely as reported by Canadian officials. Though President Trump has threatened a deal excluding Canada, the president of the US chamber of commerce, Tom Donohue, expressed that "NAFTA's many strengths rest on the fact that it ties together three economically vibrant nations", adding that "If you break off one member of this agreement, you break it all."
- As uncertainty remains regarding NAFTA and US-China trade disputes, the US dollar remains strong. The US dollar index drove higher as the Institute for Supply Management released positive data on Tuesday, far surpassing expectations. With a reading of 61.3, the August manufacturing index experienced its highest figure since 2004. With the recent GDP figures and rising consumer confidence, the economy shrugged off turmoil in other markets, jumping 0.56% after the report's release. The US dollar index is currently around the 95.392 level.
- Asia-Pacific stocks fell on Wednesday as Japan's Topix experienced its lowest level in almost two weeks, slipping 0.8%. US tariffs of a further \$200 billion on Chinese imports are said to be in effect as soon as Thursday, on top of the \$50 billion already in place. In New York S&P 500 closed 0.2% lower, while the Nasdaq Composite also fell 0.2%.

S&P 500
1 Year Performance



US Dollar Index
Year to Date Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1500	1.1555	1.1604	1.1655	1.1710
GBP	1.2755	1.2810	1.2861	1.2910	1.2965
JPY	110.15	110.60	111.14	111.65	112.20
CHF	0.9595	0.9645	0.9698	0.9755	0.9805

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1581	3.41	EUR/GBP	0.9009	1.47
GBP/USD	1.2854	(4.86)	GBP/JPY	143.24	(5.77)
USD/JPY	111.44	(1.05)	EUR/JPY	129.07	(4.42)
USD/CHF	0.9742	(0.07)	EUR/CHF	1.1281	(3.46)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1628 level during Monday's trading session and currently trading at 1.1604 EUR/USD Support is at (1.1480-1.1500) any break below targets 1.1295 Short term outlook is neutral, however medium term outlook remains bearish.

USD/JPY: The pair moved down to the 110.89 level during Monday's trading session and currently trading at 111.14 USD/JPY Support is at (110.15-110.35) any break below targets 108.10 Short term and medium term outlook remain bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.75	2.00	2.25	2.56
USD	1.96	2.12	2.32	2.54	2.84
EUR	-0.43	-0.39	-0.35	-0.32	-0.22
GBP	0.71	0.72	0.80	0.89	1.04
CHF	-0.79	-0.78	-0.73	-0.65	-0.52
AUD	1.42	2.23	2.18	2.14	2.30

Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-Sep-18	AUD	Retail Sales m/m	0.0%	0.3%	0.4%
3-Sep-18	JPY	BOJ Gov Kuroda Speaks			
3-Sep-18	GBP	Manufacturing PMI	52.8	53.9	54.0
4-Sep-18	AUD	Cash Rate	1.50%	1.50%	1.50%
4-Sep-18	GBP	Inflation Report Hearings			
4-Sep-18	USD	ISM Manufacturing PMI	61.3	57.6	58.1
4-Sep-18	AUD	GDP q/q	0.9%	0.8%	1.0%
5-Sep-18	GBP	Services PMI		53.9	53.5
5-Sep-18	CAD	Overnight rate		1.50%	1.50%
6-Sep-18	USD	ADP Non-Farm Employment Change		188K	219K

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.47	2.65	2.77	2.90	3.07
Germany	-0.66	-0.61	-0.26	0.35	1.03
United Kingdom	0.72	0.73	1.02	1.42	1.78
Japan	-0.13	-0.12	-0.08	0.11	0.84

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	75.72	(2.33)	Dow Jones	25,952.48	(0.05)
Brent	77.58	(0.03)	Nikkei 225	22,651.34	(0.20)
West Texas	69.77	(0.14)	S&P 500	2,896.72	(0.17)
Gold	1,192.49	0.13	KuwaitSE	5,132.67	(0.90)

Global Indices

All information has been sourced from Reuters.

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