

Highlights in the Foreign Exchange Market:

- Asian stocks fell following the footsteps of US equities as a new round of trade war was ignited by Trump. The Nikkei index was down by 400 points during midmorning trade as investors entered into risk off mode. US equities closed yesterday's session down by 103 points and 5.91 points for the Dow Jones and S&P 500 respectively.
- The European Central Bank made two important policy updates when it met Thursday June 14. First, the ECB has finally announced that they will bring an end to its quantitative easing program this year. President Draghi acknowledged that there has been "substantial progress" in the inflation adjustment which makes the ECB more confident that inflation will return towards their target. At the same time, the ECB stated that rates will remain at present levels "at least through the summer of 2019". Investors will be eying several speeches by ECB President Mario Draghi including a panel discussion of him along with Kuroda of BOJ, and the Fed's Powell at the ECB forum in Portugal tomorrow.
- US President Donald Trump threatened to impose a 10 percent tariff on \$200 billion of Chinese goods on Monday, quickly escalating the trade conflict among the world two biggest economies. In his statement, Trump explains that the move would be in retaliation for China's decision to raise tariffs on \$50 billion on US goods. The ongoing trade dispute caused the Japanese yen to strengthen to 109.65 against the dollar, up about 0.47 percent on the day of President Trump's announcement and continued to strengthen to reach 109.55. Investors who were concerned with interest rate hikes from the Federal Reserve now fear Trump negatively impacting industries such as automakers and construction.

JPYUSD

YTD Performance



EURUSD

YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1540	1.1585	1.1628	1.1670	1.1750
GBP	1.3180	1.3205	1.3259	1.3315	1.3375
JPY	108.90	109.30	109.72	110.20	110.55
CHF	0.9825	0.9890	0.9926	0.9990	1.0075

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1623	-3.11	EUR/GBP	0.8774	1.26
GBP/USD	1.3245	-1.85	GBP/JPY	146.42	4.64
USD/JPY	110.55	2.74	EUR/JPY	128.49	6.03
USD/CHF	0.9952	-1.82	EUR/CHF	1.16	1.38

Major Crosses

Brief Technical Commentary

Euro rebound from the low of 1.1542 should be limited to first resistance at 1.1670. Short term outlook remains bearish for the pair. On the upside, any break above 1.1670 will make the pair neutral. On the down side, break of 1.1540 will turn the pair's medium term outlook into negative and target 1.1350

USDJPY took sharp dive from 110.55 on risk off mode basis. Short term outlook is negative. However, general strength in USD across the board is observed for the long run. A break above 110.55 would turn the outlook into a bullish case. On the downside, a break below 108.90 would turn the outlook to slightly negative.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.75	2.00	2.19	2.50
USD	1.97	2.08	2.33	2.50	2.77
EUR	-0.43	-0.40	-0.35	-0.30	-0.23
GBP	0.49	0.51	0.63	0.76	0.94
CHF	-0.79	-0.78	-0.73	-0.64	-0.52
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
18-Jun-18	EUR	ECB President Draghi Speaks	-	-	-
18-Jun-18	USD	FOMC Member Williams Speaks	-	-	-
19-Jun-18	AUD	Monetary Policy Meeting Minutes	-	-	-
19-Jun-18	USD	Building Permits	-	1.35M	1.36M
19-Jun-18	USD	Housing Starts	-	1.31M	1.29M
20-Jun-18	USD	Fed Chair Powell Speaks	-	-	-
20-Jun-18	JPY	BOJ Gov Kuroda Speaks	-	-	-
20-Jun-18	EUR	ECB President Draghi Speaks	-	-	-
21-Jun-18	CHF	SNB Press Conference	-	-	-
21-Jun-18	GBP	Official Bank Rate	-	0.50%	0.50%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.51	2.62	2.74	2.87	3.01
Germany	-0.64	-0.57	-0.27	0.36	1.14
United Kingdom	0.71	0.74	1.04	1.32	1.78
Japan	-0.14	-0.16	-0.12	0.02	0.70

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	71.86	-1.92	Dow Jones	24,987.47	-0.41
Brent	74.87	-0.69	Nikkei 225	22,360.00	-1.57
West Texas	65.50	-0.55	S&P 500	2,773.75	-0.21
Gold	1,283.01	0.37	KuwaitSE	4,877.88	-0.05

All information has been sourced from Bloomberg

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