

Highlights in the Foreign Exchange Market:

- After initially saying that King Salman of Saudi Arabia has agreed to raise oil production, the White House later changed their statement. Instead, the White House indicated that the King said his country can raise oil production if needed. Meanwhile, Trump also lashed out at OPEC with a warning to stop manipulating oil markets and piled pressure on close U.S. allies in an interview that aired on Sunday with a threat to sanction European companies that do business with Iran.
- The recent positive data witnessed in the US economy indicates that the soft Q1 GDP reading was transitory and a rebound may soon be expected. Looking at anticipated figures, the Federal Reserve Bank of Atlanta's GDPNow tracking estimate for Q2 expansion was at 3.8% as of Wednesday, while the median forecast in a Bloomberg survey of economists called for a 3.4% pace. The US economy is still outperforming other developed nations around the globe as economic figures diverge in America's favor. In addition, the \$1.5 trillion tax cut is seen encouraging faster economic momentum in the second quarter, putting annual GDP growth on track to achieve the Trump administration's 3% target. Nonetheless, the US policy of America first and the latest escalation in trade tariffs could disrupt supply chains and undercut business investment and potentially wipe out the positive effects of the fiscal stimulus.

Commodities
Brent Crude



US Economy
Final GDP (q/q)

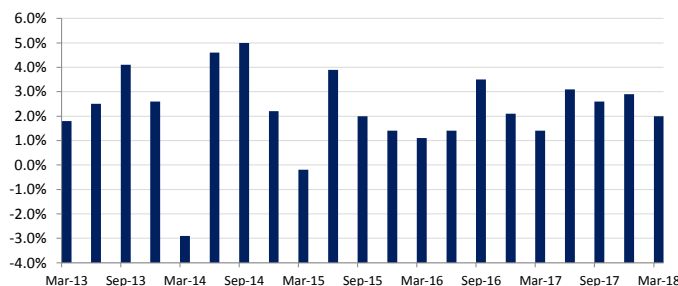


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1550	1.1600	1.1648	1.1720	1.1770
GBP	1.3070	1.3120	1.3173	1.3220	1.3270
JPY	109.70	110.20	110.70	111.30	111.90
CHF	0.9825	0.9875	0.9921	0.9970	1.0020

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1683	(2.92)	EUR/GBP	0.8844	(0.52)
GBP/USD	1.3207	(2.49)	GBP/JPY	146.20	(4.14)
USD/JPY	110.66	(1.77)	EUR/JPY	129.29	(4.65)
USD/CHF	0.9902	1.84	EUR/CHF	1.1572	(1.13)

Major Crosses

Brief Technical Commentary

Euro is trading at 1.1648 and further decline is expected. Short term is slightly bearish and any move up should be limited to 1.1720. However, medium term outlook remains extremely bearish. On the upside, a break above 1.1770 will turn the outlook into Neutral.

USDJPY current resistance is at around 111.30 level. Short term outlook is neutral. However, general strength in USD across the board is observed for the long run. trading above 111.30 level would make the outlook bullish. On the downside, a break below 109.35 would turn the outlook to slightly negative.

Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-Jul-18	GBP	Manufacturing PMI		54.1	54.4
2-Jul-18	USD	ISM Manufacturing PMI		58.2	58.7
3-Jul-18	AUD	RBA Rate Statement			
3-Jul-18	GBP	Construction PMI		52.6	52.5
4-Jul-18	GBP	Services PMI		53.9	54.0
5-Jul-18	USD	ISM Non-Manufacturing PMI		58.3	58.6
5-Jul-18	EUR	FOMC Meeting Minutes			
6-Jul-18	USD	Average Hourly Earnings m/m		0.3%	0.3%
6-Jul-18	USD	Non-Farm Employment Change		200K	223K
6-Jul-18	USD	Unemployment Rate		3.8%	3.8%

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.19	1.75	2.00	2.19	2.50
USD	1.98	2.09	2.34	2.50	2.76
EUR	-0.42	-0.39	-0.36	-0.32	-0.23
GBP	0.48	0.50	0.67	0.79	0.96
CHF	-0.79	-0.78	-0.73	-0.65	-0.52
AUD	1.36	1.94	2.10	2.17	2.21

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.30	2.52	2.72	2.84	2.98
Germany	-0.70	-0.71	-0.31	0.30	1.02
United Kingdom	0.66	0.71	1.02	1.27	1.73
Japan	-0.14	-0.14	-0.12	0.02	0.70

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	73.79	(2.50)	Dow Jones	24,271.41	0.23
Brent	76.78	(0.03)	Nikkei 225	22,304.51	(2.13)
West Texas	74.08	(0.13)	S&P 500	2,718.37	0.08
Gold	1,249.09	(0.25)	KuwaitSE	4,894.55	0.00

All information has been sourced from Reuters.

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