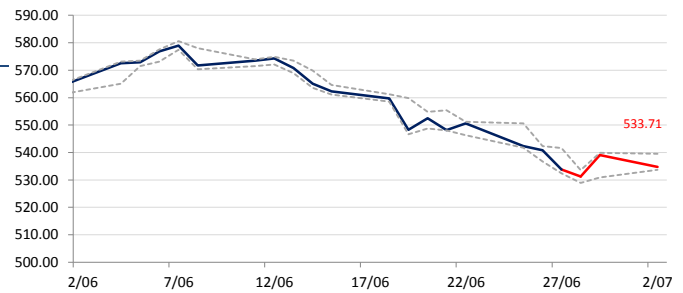


Highlights in the Foreign Exchange Market:

- Trade wars pose a greater threat this week as tensions rise on the economic fight. Once the Trump administration decided to move forward with tariffs on metals against the European Union, Canada, and Mexico, the targeted countries did not shy away from a retaliation. Canadian Prime Minister Justin Trudeau announced \$12.6 billion in tariffs against the US, while the EU sent a warning in response to President Trump's 20% tariff threat on imported European autos, claiming that imported European autos could draw a \$300 billion cost. Regardless, the dollar remains composed.
- Chinese stocks continued to decline adding volatility to equity markets in Asia, which sank to nine-month lows as investors feared the Sino-U.S. trade row could disrupt global growth. The fall comes as we approach the July 6 deadline, when the U.S. is set to slap tariffs on \$34 billion worth of Chinese goods that Beijing has vowed to match with tariffs on U.S. products. The Asia Pacific MSCI index ex-Japan tumbled 1.4 to its lowest since September 29 while Japan's Nikkei was down 0.86% to a near three-month low. Hong Kong's Hang Seng index dove 3.3% to its lowest level in ten months, the Shanghai Composite Index shedding 1.9% to hit a fresh 28 month low.
- Oil prices climbed over night after Libya failed to deliver on some of its supplies, although an overall rise in OPEC output and an emerging slowdown in demand held back markets. Libya's National Oil Corporation (NOC) declared force majeure on loadings from Zueitina and Hariga ports on Monday, resulting in total production losses of 850,000 bpd due to the closure of eastern fields and ports.

MSCI Asia Pacific
1-Month Performance



Brent Crude Oil
1-Month Performance

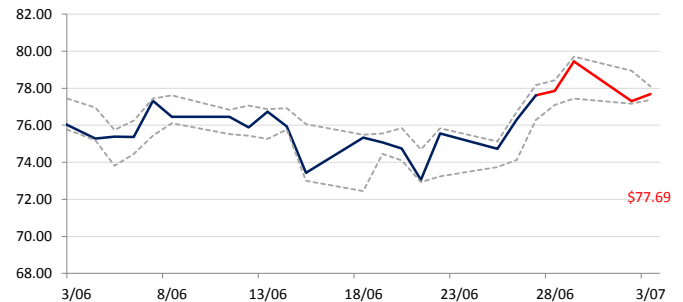


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1520	1.1570	1.1630	1.1680	1.1720
GBP	1.3030	1.3080	1.3131	1.3190	1.3245
JPY	109.85	110.30	110.86	111.40	111.90
CHF	0.9830	0.9890	0.9941	0.9990	1.0040

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1639	(2.69)	EUR/GBP	0.8855	(0.34)
GBP/USD	1.3141	(2.65)	GBP/JPY	145.72	(4.05)
USD/JPY	110.89	(1.53)	EUR/JPY	129.06	(4.38)
USD/CHF	0.9934	1.98	EUR/CHF	1.1562	(0.97)

Major Crosses

Brief Technical Commentary

Euro is trading at 1.1630 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.

USD/JPY current resistance is at around 111.40 level. Short term outlook is neutral. However, general strength in USD across the board is observed for the long run. trading above 111.40 level would make the outlook bullish. On the downside, a break below 109.35 would turn the outlook to slightly negative.

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	1.40	1.95	2.07	2.10	2.13

Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-Jul-18	GBP	Manufacturing PMI	54.4	54.1	54.4
2-Jul-18	USD	ISM Manufacturing PMI	60.2	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%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.31	2.54	2.75	2.87	2.99
Germany	-0.70	-0.72	-0.30	0.31	1.02
United Kingdom	0.61	0.69	1.00	1.26	1.72
Japan	-0.14	-0.13	-0.12	0.02	0.69

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	75.49	(0.61)	Dow Jones	24,307.18	35.77
Brent	76.05	(0.03)	Nikkei 225	21,606.69	(205.24)
West Texas	73.84	(0.14)	S&P 500	2,726.71	8.34
Gold	1,240.88	(0.06)	KuwaitSE	4,904.24	9.69

Global Indices

All information has been sourced from Reuters

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