

Highlights in the Foreign Exchange Market:

- Globally, tensions escalated between the EU and the UK as EU officials are set to reject a potential UK solution to the crucial issue of what happens to the Irish border after Brexit. Even though the UK hasn't submitted a formal proposal, it has indicated that the bloc's solution for maintaining an invisible border should apply to the whole of UK. Yet the European Commission is said to oppose it and only wants to offer that special status to Northern Ireland. The result is a mounting pressure on Prime Minister Theresa May to try and keep the UK in the EU's customs union after Brexit. Meanwhile, the sterling Pound took a beating as it ended the week 250 points lower.
- In a sign of the emerging softer rhetoric in international trade negotiations, President Trump indicated the possibility of the US re-joining the Trans-Pacific Partnership (TPP), a trade pact from which the US withdrew in early 2017. The US President and Japanese Prime Minister Shinzo Abe said on Wednesday they had agreed to intensify trade consultations between the two longtime allies, with an aim to expand investment and trade between their countries. "President Trump and I agreed to start talks for free, fair and reciprocal trade deals," Abe said at a joint news conference with Trump.
- Looking at the debt and equity markets, US treasury yields gained momentum last week as the prospect of trade wars eased in the market. The 10-year US treasury yield reached a 4 year high of 2.96%, after it started the week at 2.82%. Meanwhile, the earnings season has weighed in on US equities as IT shares slipped reversing the gains of the Dow Jones index in the beginning of the week.



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2090	1.2180	1.2286	1.2380	1.2480
GBP	1.3805	1.3910	1.4003	1.4120	1.4215
JPY	105.65	106.65	107.65	108.70	109.70
CHF	0.9550	0.9645	0.9744	0.9850	0.9955

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2286	2.42	EUR/GBP	0.8775	(1.25)
GBP/USD	1.4003	3.65	GBP/JPY	150.71	(0.92)
USD/JPY	107.65	(4.46)	EUR/JPY	132.25	(2.17)
USD/CHF	0.9744	0.01	EUR/CHF	1.1976	2.46

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.2248 level during Friday's trading session and closed the week at 1.2286. EUR Resistance is at (1.2460-1.2480) any break above targets 1.2595 and Support is at (1.2090-1.2120) any break below targets 1.2025. The pair is currently Neutral.

USD/JPY: The pair moved up to the 107.85 level during Friday's trading session and closed the week at 107.65 USD/JPY Resistance is at (109.30-109.70) any break above targets 110.50 and Support is at (105.65-105.95) any break below targets 105.15. The pair is currently Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.25	1.75	2.00	2.19	2.44
USD	1.74	1.90	2.36	2.51	2.76
EUR	-0.42	-0.40	-0.37	-0.32	-0.24
GBP	0.49	0.53	0.75	0.86	1.02
CHF	-0.80	-0.79	-0.73	-0.65	-0.52
AUD	1.85	1.95	2.17	2.23	2.30

Economic Events

Date	Country	Event	Actual	Forecast	Previous
23-Apr-18	EUR	Flash Manufacturing PMI	1.25%	56.6	56.6
23-Apr-18	EUR	Flash Services PMI		54.8	54.9
23-Apr-18	USD	Existing Home Sales		5.55M	5.54M
24-Apr-18	AUD	CPI q/q		0.5%	0.6%
24-Apr-18	USD	CB Consumer Confidence		126.0	127.7
26-Apr-18	USD	Core Durable Goods Orders m/m		0.5%	1.0%
26-Apr-18	EUR	ECB Press Conference			
27-Apr-18	JPY	Monetary Policy Statement			
27-Apr-18	GBP	Prelim GDP q/q		0.3%	0.4%
27-Apr-18	USD	Advance GDP q/q		2.0%	2.9%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.19	2.46	2.80	2.96	3.15
Germany	-0.71	-0.56	-0.02	0.60	1.27
United Kingdom	0.72	0.83	1.16	1.49	1.89
Japan	-0.15	-0.14	-0.10	0.05	0.72

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	69.59	(0.14)	Dow Jones	24,462.94	(201.95)
Brent	75.36	(0.03)	Nikkei 225	22,162.24	(28.94)
West Texas	68.21	(0.15)	S&P 500	2,670.14	(22.99)
Gold	1,334.72	(0.78)	KuwaitSE	4,797.48	(6.59)

Global Indices

All information has been sourced from Reuters

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 (TELEX : 46811 - FAX +965 2241 9720).