

Highlights in the Foreign Exchange Market:

- Last week, the minutes of the Fed's May meeting indicated a substantial level of debate over the mechanism of approaching inflation. The summary released last Wednesday pointed to an interest rate hike in June, which the market has already priced in. Meanwhile, the probability of three additional hikes by the Fed this year sits at 36% currently, as the core PCE is at 1.9% while the headline rate is at 2%. Finally, the market is expecting further inflationary pressures on the US economy as oil prices surge to 4 year highs.
- The latest development in US-China trade relation came from Treasury Secretary Steven Mnuchin, who said that the plan to impose tariffs on China has been suspended. Additionally, President Trump tweeted that the Chinese had agreed to purchase unspecified amounts of American farm products. On the other hand, Donald Trump cancelled the summit with Kim Jong Un, which was supposed to take place in Singapore, due to the comments made by North Korea which were perceived as hostile.
- UK GDP was estimated to have increased by 0.1% between Q4 17 and Q1 18, unrevised from the preliminary estimate. When comparing GDP growth in the most recent quarter to the same quarter a year ago, we see a continuing pattern of slowing growth, in part reflecting a slowdown of consumer-facing industries. While bad weather had some impact on the economy, particularly in construction and some areas of retail, its overall effect was limited, with partially offsetting impacts in energy supply and online sales.

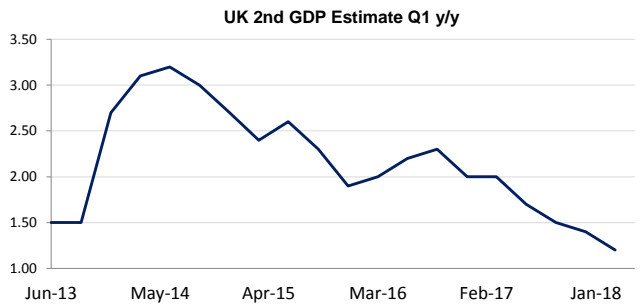


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1470	1.1550	1.1654	1.1750	1.1860
GBP	1.3105	1.3210	1.3312	1.3445	1.3530
JPY	107.40	108.30	109.41	110.45	111.40
CHF	0.9705	0.9810	0.9900	1.0020	1.0125

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1650	(2.88)	EUR/GBP	0.8757	(1.44)
GBP/USD	1.3307	(1.52)	GBP/JPY	145.41	(4.40)
USD/JPY	109.38	(2.92)	EUR/JPY	127.44	(5.73)
USD/CHF	0.9896	1.57	EUR/CHF	1.1533	(1.33)

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1643 level during Friday's trading session and closed the week at 1.1654. EUR Resistance is at (1.1750-1.1860) any break above targets 1.1940 and Support is at (1.1470-1.1550) any break below targets 1.1370. The pair is currently Bearish.

USD/JPY: The pair moved up to the 109.75 level during Friday's trading session and closed the week at 109.41. USD/JPY Resistance is at (110.45-111.40) any break above targets 112.15. The pair is currently Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.19	1.75	1.94	2.19	2.44
USD	1.75	1.98	2.32	2.48	2.73
EUR	-0.43	-0.40	-0.35	-0.31	-0.23
GBP	0.48	0.50	0.61	0.72	0.90
CHF	-0.80	-0.79	-0.73	-0.65	-0.53
AUD	1.69	1.87	2.04	2.17	2.20

Economic Events

Date	Country	Event	Actual	Forecast	Previous
29-May-18	USD	CB Consumer Confidence	-	128.2	128.7
30-May-18	EUR	German Retail Sales m/m	-	0.5%	-0.6%
30-May-18	JPY	BoJ Kuroda Speaks	-	-	-
30-May-18	USD	ADP Non Farm Payrolls	-	186K	204K
30-May-18	USD	Prelim GDP q/q	-	2.3%	2.3%
31-May-18	CNY	Manufacturing PMI	-	51.4	51.4
31-May-18	EUR	CPI Flash Estimate y/y	-	1.6%	1.2%
1-Jun-18	GBP	Manufacturing PMI	-	53.5	53.9
1-Jun-18	USD	Average Hourly Earnings	-	0.3%	0.1%
1-Jun-18	USD	Non-Farm Payrolls	-	190K	164K

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.25	2.48	2.76	2.93	3.09
Germany	-0.70	-0.68	-0.23	0.40	1.12
United Kingdom	0.58	0.68	1.03	1.32	1.76
Japan	-0.16	-0.16	-0.13	0.02	0.73

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	73.04	(0.79)	Dow Jones	22,930.36	91.99
Brent	77.14	(0.03)	Nikkei 225	22,450.79	13.78
West Texas	67.87	(0.15)	S&P 500	2,721.33	(6.43)
Gold	1,301.17	(0.25)	KuwaitSE	4,731.35	(30.54)

All information has been sourced from Reuters

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