

Highlights in the Foreign Exchange Market:

- The FOMC voted unanimously last Wednesday to skip another interest rate hike for now, maintaining the target range for its benchmark rate at 1.75 % to 2 %. The committee revealed a more positive outlook than reported in June, supported by strong GDP numbers, unemployment reaching a generational low, and a strengthening labor market. The chance of a hike in September is at 91.4 %, with a 60 % probability for another move in December. After President Donald Trump lashed out at the Fed's strategy last month, it appears that policy makers are not paying close attention to the political commentary. The dollar has now risen 8% from its lowest point of the year in February, posting solid gains as it found support throughout the week.
- China declared on Friday that it would impose new tariffs on \$60 billion worth of imports from the US on products such as aircraft and liquefied natural gas. The US had previously threatened retaliatory tariffs on \$200 billion worth of Chinese exports to 25%, up from the original threat of 10%. Both sides have already imposed tariffs on \$34 billion on the others exports, while China's \$60 billion retaliation illustrates the imbalance in trade. On Friday, the Yuan saw its weakest level since May 2017, as USD/CNH hit 6.9126.
- The Bank of England raised its benchmark interest rate from 0.5 % to 0.75% on Thursday, matching the markets' overwhelming expectations of a hike. Such levels have not been seen in almost a decade, while employment remains low, wages continue to rise, and inflation widening. However, uncertainty regarding Brexit continues to weigh heavy, as Governor Mark Carney stated on Friday, that the risk of a no-deal Brexit between Britain and the EU is "uncomfortably high at this point". Gov. Carney appeared firm on future hikes remaining gradual and limited, with the next hike not be expected until September of 2019. Focus shifts to next Friday's release of second quarter GDP, which is expected slightly higher. The GBP/USD closed at 1.3010 on Friday.

US Dollar Index
3 Year Performance



GBP/USD
3 Year Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1365	1.1465	1.1567	1.6660	1.1760
GBP	1.2800	1.2900	1.3005	1.3100	1.3205
JPY	109.25	110.25	111.25	112.20	113.25
CHF	0.9740	0.9845	0.9941	1.0040	1.0140

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1567	(3.58)	EUR/GBP	0.8895	0.14
GBP/USD	1.3005	(3.75)	GBP/JPY	144.63	(4.92)
USD/JPY	111.25	(1.26)	EUR/JPY	128.70	(4.79)
USD/CHF	0.9941	2.03	EUR/CHF	1.1500	(1.62)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1558 level during Friday's trading session and closed for the week at 1.1567 EUR/USD Support is at (1.1465-1.1500) any break below targets 1.1310 Short term and medium term outlook are bearish.

USD/JPY: The pair moved down to the 111.07 level during Friday's trading session and closed for the week at 111.25 USD/JPY Support is at (109.25-109.55) any break below targets 108.25 Short term and medium term outlook are bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.81	2.06	2.31	2.56
USD	1.95	2.08	2.34	2.52	2.83
EUR	-0.42	-0.40	-0.36	-0.32	-0.24
GBP	0.71	0.72	0.81	0.91	1.05
CHF	-0.79	-0.78	-0.73	-0.65	-0.52
AUD	1.72	1.95	2.22	2.35	2.25

Economic Events

Date	Country	Event	Actual	Forecast	Previous
7-Aug-18	AUD	RBA Rate Statement			
7-Aug-18	NZD	Inflation Expectations q/q			2.0%
7-Aug-18	AUD	RBA Gov Lowe Speaks			
8-Aug-18	USD	Crude Oil Inventories			3.8M
8-Aug-18	NZD	RBNC Monetary Policy Statement			
9-Aug-18	USD	PPI m/m		0.2%	0.3%
9-Aug-18	AUD	RBA Monetary Policy Statement			
10-Aug-18	GBP	GDP m/m		0.2%	0.3%
10-Aug-18	GBP	Manufacturing Production m/m		0.3%	0.4%
10-Aug-18	USD	CPI m/m		0.2%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.41	2.64	2.81	2.95	3.09
Germany	-0.68	-0.61	-0.22	0.41	1.06
United Kingdom	0.71	0.74	1.05	1.33	1.77
Japan	-0.12	-0.12	-0.08	0.10	0.84

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	72.14	0.15	Dow Jones	25,462.58	0.54
Brent	73.12	(0.03)	Nikkei 225	22,525.18	0.06
West Texas	68.44	(0.15)	S&P 500	2,840.35	0.46
Gold	1,213.03	0.45	KuwaitSE	5,206.07	0.00

All information has been sourced from Reuters.

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