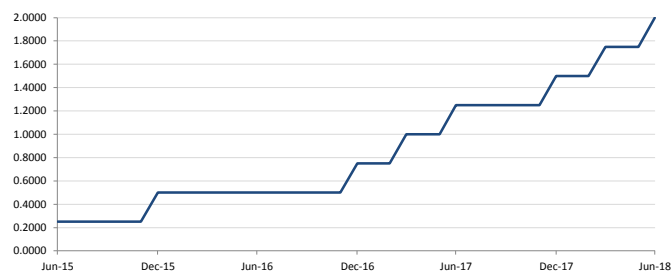


Highlights in the Foreign Exchange Market:

- The US Federal Reserve hiked interest rates yesterday as had been widely expected. The second rate hike of this year had increased the overnight funds rate to a range of 1.75% to 2.00%. In addition to the hike, the Fed has increased its forecast to four total increases in 2018, meaning that they expect two extra rate hikes in addition to the one we witnessed yesterday. While the interest-rate hikes remain at a gradual course, the noticeable and slightly more aggressive pace does show that officials see more urgency to tighten policy.
- The US producer price index increased more than expected in May. The figure surpassed the forecast of 0.3% reaching 0.5%, leading to the biggest annual gain in 6.5 years. The Labor Department said that the number was boosted by a surge in gasoline prices and continued gains in the cost of services. Given the renewed upward trend in producer prices, strong unemployment figures, and overall accelerated growth. Fed policy makers had projected in their latest forecasts that core inflation will rise to a median 2.1% next year, slightly surpassing the Fed's target and staying there in 2020.
- In the UK, Headline and core CPI held steady in May at 2.4% and 2.1% y/y, respectively. The inflationary impact of higher oil prices and the unwinding of seasonal weakness in sea and air fares, was offset by drags across a range of categories, including computer games, food and furniture. In the near term however, higher energy prices may prevail to push the CPI inflation rate higher this summer.

US Fed Target Rate



UK CPI y/y



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1700	1.1750	1.1804	1.1855	1.1905
GBP	1.3290	1.3340	1.3395	1.3445	1.3495
JPY	108.95	109.55	110.05	110.55	111.05
CHF	0.9735	0.9785	0.9845	0.9895	0.9955

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1789	(1.48)	EUR/GBP	0.8814	(0.74)
GBP/USD	1.3374	(0.83)	GBP/JPY	147.56	(3.17)
USD/JPY	110.32	(2.45)	EUR/JPY	130.09	(3.91)
USD/CHF	0.9855	0.88	EUR/CHF	1.1617	(0.61)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1801 level during Wednesday's trading session and currently trading at 1.1804 EUR/USD Resistance is at (1.1885-1.1905) any break above targets 1.1995 and Support is at at (1.1700-1.1720) any break below targets 1.1620. The pair is currently Neutral.

USD/JPY: The pair fell down to the 110.24 level during Wednesday's trading session and currently trading at 110.04 USD/JPY Resistance is at (110.85-111.05) any break above targets 111.75 and support is at (108.95-109.15) any break below targets 108.15. The pair is currently Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.69	1.94	2.19	2.44
USD	1.96	2.07	2.34	2.50	2.77
EUR	-0.43	-0.40	-0.35	-0.31	-0.23
GBP	0.49	0.50	0.63	0.76	0.93
CHF	-0.79	-0.79	-0.73	-0.64	-0.52
AUD	1.34	1.92	1.97	2.11	2.21

Economic Events

Date	Country	Event	Actual	Forecast	Previous
11-Jun-18	GBP	Manufacturing Production	-1.4%	0.3%	-0.1%
12-Jun-18	GBP	Average Earnings Index	2.5%	2.5%	2.6%
12-Jun-18	USD	CPI m/m	0.2%	0.2%	0.2%
13-Jun-18	GBP	CPI y/y	2.4%	2.4%	2.4%
13-Jun-18	USD	FOMC Meeting			
14-Jun-18	GBP	Retail Sales		0.5%	1.6%
14-Jun-18	EUR	ECB Meeting			
14-Jun-18	USD	Retail Sales m/m		0.4%	0.3%
15-Jun-18	JPY	Bank of Japan Meeting			
15-Jun-18	EUR	Final CPI y/y		190K	164K

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.29	2.56	2.82	2.95	3.07
Germany	-0.70	-0.63	-0.14	0.49	1.17
United Kingdom	0.62	0.72	1.07	1.36	1.80
Japan	-0.14	-0.14	-0.12	0.04	0.72

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	73.94	0.48	Dow Jones	25,201.20	(119.53)
Brent	74.16	(0.03)	Nikkei 225	22,738.61	(227.77)
West Texas	66.63	0.00	S&P 500	2,775.63	(11.22)
Gold	1,303.02	0.29	KuwaitSE	4,842.17	6.86

Global Indices

All information has been sourced from Reuters

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