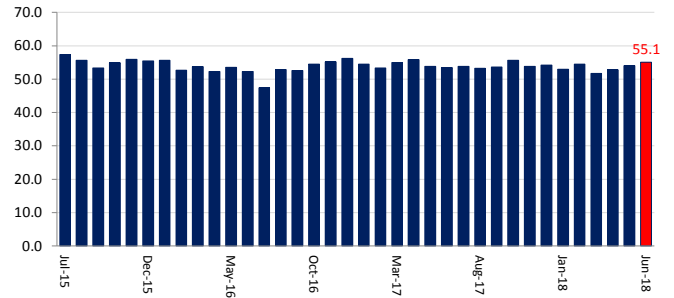


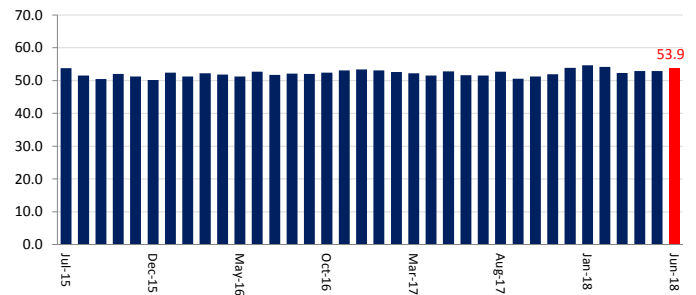
#### Highlights in the Foreign Exchange Market:

- In the UK, month after month of disappointing data came to a stop this week, thanks to a rebound in PMI indicators. Looking at the dominate sector in the British economy, the service sector recovered in June. The services PMI improved to 55.1, an 8-month high, reinforced by rising new orders and business optimism. As for other sub-components, new orders index rose by two points to a 13-month high and the output price index also rose, but only to a three month high. Earlier this week, the manufacturing and construction segments also followed the upward momentum, strengthening the case for tighter monetary policy from the BOE. Interest rate probability for an August rate hike increased by 6% to 67% after the services PMI figure was released. Overall, the latest PMI readings shed some positive light on the British economy, while fortifying the Bank's view that Q1 figures were transitory.
- Moving to China, the composite PMI (which covers both manufacturing and services) revealed that business activity persisted in expansionary mode at the end of the second quarter. The services sector grew at the fastest pace in 4 months in June as the index moved from 52.9 to 53.9. At the same time, progress in manufacturing production was also upgraded to a four-month high. However, rates of increase across both segments remained weaker than those seen at the start of the year. China's economy has re-adjusted tremendously in the direction of services and consumption. Therefore, domestic demand plays an increasingly significant part in driving growth. The forthcoming tariffs may reduce growth over the near-term, yet resilient domestic demand should continue to support growth, providing some cushion against external headwinds.

UK Services PMI  
Monthly Performance



China Caixin Services PMI  
Monthly Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1555	1.1610	1.1655	1.1720	1.1775
GBP	1.3120	1.3175	1.3224	1.3275	1.3325
JPY	109.35	109.85	110.38	111.05	111.45
CHF	0.9830	0.9880	0.9930	0.9980	1.0030

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1654	(2.76)	EUR/GBP	0.8811	(0.73)
GBP/USD	1.3230	(2.14)	GBP/JPY	146.14	(3.97)
USD/JPY	110.45	(1.99)	EUR/JPY	128.78	(4.70)
USD/CHF	0.9924	1.95	EUR/CHF	1.1569	(0.85)

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1682 level during Wednesday's trading session and currently trading at 1.1655 EUR/USD Support is at (1.1505-1.1555) any break below targets 1.1315. Short term outlook is slightly bearish and any move up should be limited to 1.1720. However, medium term outlook remains extremely bearish.

USD/JPY: The pair moved up to the 110.62 level during Wednesday's trading session and currently trading at 110.37 USD/JPY Resistance is at (111.15-111.45) any break above targets 112.75. Short term outlook is slightly bullish and any move down should be limited to 109.35. However, medium term outlook remains extremely bullish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.19	1.75	2.00	2.25	2.50
USD	1.97	2.09	2.34	2.51	2.77
EUR	-0.42	-0.40	-0.36	-0.31	-0.24
GBP	0.48	0.50	0.69	0.79	0.96
CHF	-0.79	-0.78	-0.73	-0.65	-0.52
AUD	1.45	2.05	2.23	2.24	2.27

#### 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	53.1	52.6	52.5
4-Jul-18	GBP	Services PMI	55.1	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	2.53	2.73	2.84	2.96
Germany	-0.69	-0.68	-0.28	0.32	1.00
United Kingdom	0.67	0.73	1.02	1.28	1.74
Japan	-0.14	-0.14	-0.13	0.02	0.67

#### Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	74.84	(0.37)	Dow Jones	24,174.82	(132.36)
Brent	76.58	(0.03)	Nikkei 225	21,477.31	(239.78)
West Texas	74.14	(0.13)	S&P 500	2,713.22	(13.48)
Gold	1,254.11	(0.17)	KuwaitSE	5,053.61	90.20

#### Global Indices

All information has been sourced from Reuters

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