

Highlights in the Foreign Exchange Market:

- The US dollar suffered a steep selloff on Friday after Trump accused China and the European Union of manipulating their currencies. He continued saying a stronger dollar and higher interest rates are hurting America's "competitive edge." Undermining the US Fed, he claimed monetary tightening damages the economy and that "the United States should not be penalized for doing well." In his comments, Trump broke decades of tradition that US presidents should avoid commenting directly on the dollar or the path of US monetary policy. The US dollar index opened the week at 94.682 rose to a twelve month high of 95.652 before closing at 94.462.
- In the UK, weaker retail sales played a role in dampening inflation pressures in June. While retail sales declined by 0.5% in June, British sales rose the most in over a decade, up 2.1% in the first three months of 2018. Headline inflation was also still broadly in line with the BoE's May forecast. Furthermore, a tight labor market and building evidence of a pick-up in economic growth in Q2 should give the BoE more confidence to continue gradually raising rates with policy still very loose. The market is currently pricing an 85% chance for an August interest rate hike.
- On the FX front, the British pound was heavily pressured last week losing around 1.45% of its value before rebounding on US President Trump's comments. The fall was driven primarily by heightened political uncertainty revolving around the Brexit issue. British Prime Minister Theresa May narrowly avoided defeat in parliament against pro-EU lawmakers from her own party.

Dollar Index
YTD Performance



GBP/USD
YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1505	1.1615	1.1718	1.1810	1.1900
GBP	1.2945	1.3040	1.3138	1.3235	1.3345
JPY	109.35	110.35	111.39	112.35	113.30
CHF	0.9735	0.9830	0.9925	1.0035	1.0110

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1642	-2.34	EUR/GBP	0.8946	(0.50)
GBP/USD	1.3014	-2.79	GBP/JPY	146.37	4.00
USD/JPY	112.47	1.15	EUR/JPY	130.95	3.56
USD/CHF	0.9987	-1.81	EUR/CHF	1.16	0.62

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1738 level during Friday's trading session and closed for the week at 1.1718 EUR/USD Support is at (1.1505-1.1535) any break below targets 1.1315 Short term outlook is neutral. However, medium term outlook remains bearish.

USD/JPY: The pair moved down to the 111.37 level during Friday's trading session and closed for the week at 111.39 USD/JPY Support is at (109.35-109.75) any break below targets 108.00 Short term outlook is slightly bearish. However medium term outlook remains neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.88	2.06	2.31	2.56
USD	1.95	2.07	2.34	2.52	2.80
EUR	-0.43	-0.40	-0.36	-0.32	-0.23
GBP	0.48	0.59	0.76	0.86	1.01
CHF	-0.79	-0.78	-0.72	-0.65	-0.51
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
23-Jul-18	USD	Existing Home Sales		5.46M	5.43M
24-Jul-18	EUR	Flash Manufacturing PMI		54.7	54.9
24-Jul-18	EUR	Flash Services PMI		55.0	55.2
25-Jul-18	EUR	German Ifo Business Climate		101.6	101.8
26-Jul-18	EUR	ECB Press Conference			
26-Jul-18	USD	Core Durable Goods Orders m/m		0.5%	0.00%
27-Jul-18	JPY	Tokyo Core CPI y/y		0.7%	0.7%
27-Jul-18	USD	Advance GDP q/q		4.1%	2.0%
27-Jul-18	USD	Revised UoM Consumer Sentiment		97.3	97.1
27-Jul-18	EUR	German Import Prices m/m		0.3%	1.6%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.59	2.68	2.76	2.89	3.03
Germany	-0.63	-0.57	-0.28	0.37	1.03
United Kingdom	0.73	0.75	0.99	1.23	1.69
Japan	-0.14	-0.13	-0.12	0.03	0.68

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	70.45	-0.23	Dow Jones	25,058.12	-0.03
Brent	73.07	0.68	Nikkei 225	22,697.88	-0.29
West Texas	68.26	0.03	S&P 500	2,801.83	-0.09
Gold	1,229.53	0.54	KuwaitSE	4,952.96	0.05

All information has been sourced from Bloomberg

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