

Highlights in the Foreign Exchange Market:

- US President Trump has imposed a 10% tariff on \$200 billion worth of Chinese imports starting next week, adding a threat of increasing the rate to 25% if no deal is reached with China by 2019. The US has already imposed tariffs on \$50 billion of Chinese imports this year, with the addition of \$200 billion bringing the total amount to half of all Chinese imports. The latest move by the Trump administration has left China vowing to reply with its own retaliatory levies, representing a sharp escalation in the trade war which can have dire effects on the global economy. Last week US Treasury secretary Steven Mnuchin spoke of starting high level talks with Chinese officials, though his attempt was undercut by the Trump's insistence on pressing ahead with the latest tariffs. Meanwhile, the Trump administration is also in the midst of talks with Canada over NAFTA, the trade agreement covering North America.
- The USD/CHF has reached 5-month lows as the already weaker US dollar lost further ground following the announcement on tariffs. Investors have sought after safe havens such as the Swiss Franc, leaving behind the Japanese yen as it is more prone to trade war effects between the world's two largest economies, the US and China. The Swiss franc is currently trading at around the 0.9617 level.
- Stocks in both the US and China suffered as investors dealt with the latest expansion of tariffs. The S&P 500 index fell on Monday after 5 straight days of gains, with Technology companies leading the decline. The Nasdaq 100 index experienced its biggest drop since June. The US dollar was down 0.5% at 94.49 following the tariffs announcement, wiping out Friday's gains. The sterling rose 0.7% to a six-week high of \$1.3161, while the euro gained 0.5% to 1.1682.

S&P 500
2 Month Performance



USD/CHF
1 Month Performance

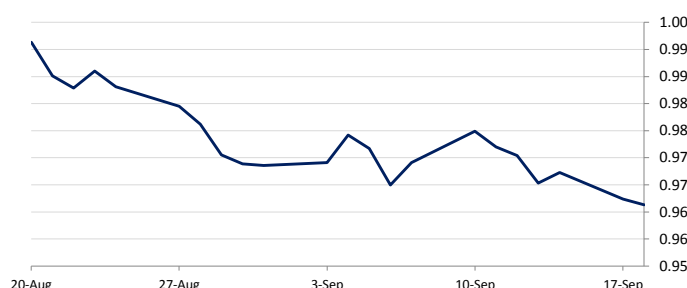


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1595	1.1645	1.1699	1.1755	1.1805
GBP	1.3055	1.3105	1.3160	1.3215	1.3265
JPY	110.95	111.45	111.94	112.55	113.05
CHF	0.9525	0.9575	0.9617	0.9670	0.9725

Major Currencies

Major Crosses

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1683	(2.41)	EUR/GBP	0.8877	0.10
GBP/USD	1.3156	(2.59)	GBP/JPY	147.17	(3.11)
USD/JPY	111.83	(0.64)	EUR/JPY	130.67	(3.03)
USD/CHF	0.9624	(1.37)	EUR/CHF	1.1244	(3.75)

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1698 level during Monday's trading session and currently trading at 1.1699 EUR/USD Support is at (1.1575-1.1595) any break below targets 1.1475 Short term outlook is neutral, however medium term outlook remains bearish.

USD/JPY: The pair moved down to the 111.74 level during Monday's trading session and currently trading at 111.98 USD/JPY Support is at (110.45-110.95) any break below targets 108.10 Short term outlook is neutral, however medium term outlook remains bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.06	1.69	1.94	2.19	2.50
USD	1.97	2.17	2.34	2.57	2.88
EUR	-0.43	-0.40	-0.35	-0.31	-0.22
GBP	0.72	0.72	0.80	0.89	1.05
CHF	-0.80	-0.78	-0.73	-0.65	-0.52
AUD	2.04	2.05	2.16	2.28	2.28

Economic Events

Date	Country	Event	Actual	Forecast	Previous
17-Sep-18	AUD	Monetary Policy Meeting Minutes			
18-Sep-18	JPY	Monetary Policy Statement			
19-Sep-18	JPY	BOJ Press Conference			
19-Sep-18	GBP	CPI y/y		2.4%	2.5%
19-Sep-18	EUR	ECB President Draghi Speaks			
19-Sep-18	USD	Crude Oil Inventories			-5.3M
19-Sep-18	NZD	GDP q/q		0.8%	0.5%
20-Sep-18	CHF	SNB Monetary Policy Assessment			
20-Sep-18	GBP	Retail sales m/m		-0.1%	0.7%
21-Sep-18	CAD	CPI m/m			0.5%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.55	2.78	2.90	3.00	3.14
Germany	-0.63	-0.56	-0.16	0.46	1.10
United Kingdom	0.74	0.81	1.13	1.53	1.87
Japan	-0.13	-0.12	-0.07	0.11	0.84

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	75.71	(0.85)	Dow Jones	26,062.12	(0.35)
Brent	78.16	(0.03)	Nikkei 225	23,473.27	1.64
West Texas	68.81	(0.15)	S&P 500	2,888.80	(0.56)
Gold	1,200.39	(0.01)	KuwaitSE	5,132.33	(0.90)

All information has been sourced from Reuters.

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