

Highlights in the Foreign Exchange Market:

- The US consumer confidence index soared to 133.4 for the current month, a figure not seen in nearly 18 years. The latest data was broad based as both the Present Situation component and the Future Expectations component rose. In details, the Present Situation Index rose from 166.1 to 172.2, meanwhile the Expectations Index increased from 102.4 to 107.6. The above readings are historically high and may continue to support healthy consumer spending in the short-term. On the labor front, individuals expecting more jobs grew from 21.7% to 22.6%, while the sum of people projecting a job market contraction decreased from 15.2% to 14.1%. Optimism in the US economy is significantly high with economic indicators continuously improving, while some nations around the globe witnessed much weaker readings this year than in 2017.
- In Turkey, the local currency continues to suffer, while the equities market performed slightly stronger as the BIST 100 was up 0.78% yesterday. The Turkish lira has sunk 39% so far this year, dropping even further on Monday as local trading resumed after the Eid break last week. Meanwhile, investors await the Monday meeting between Turkish finance minister Berat Albayrak and the French finance head, Bruno Le Maire. Though Mr Albayrak has shown confidence in his ability to shore up the Turkish economy, analysts remain skeptical on his ability to do so given that he has not given any indication of monetary tightening plans – an aspect seen critical in aiding the lira. Investors also remain concerned on US-Turkey relations on the issue of the detainment of an American pastor. The USD/TRY is currently trading at around the 6.2582.
- The US stock market enjoyed record numbers as the S&P reported up 7.45% this year, while Nasdaq historically broke the 8,000 on Monday. Soaring stock earnings can be attributed to strong corporate earnings, mainly due to tax reform and a recovery in energy prices. However, analysts may expect a more volatile stock market in the fourth quarter as markets are set to face the outcome of the trade war and Trump's presidency on the line.

US Dollar Index
1 Year Performance



USD/TRY
Year to Date Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1590	1.1640	1.1693	1.1745	1.1795
GBP	1.2765	1.2820	1.2869	1.2935	1.2975
JPY	110.25	110.75	111.23	111.75	112.30
CHF	0.9655	0.9710	0.9761	0.9810	0.9865

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1693	(2.66)	EUR/GBP	0.9082	2.21
GBP/USD	1.2875	(4.85)	GBP/JPY	143.12	(6.04)
USD/JPY	111.18	(1.34)	EUR/JPY	130.01	(3.98)
USD/CHF	0.9762	0.28	EUR/CHF	1.1416	(2.40)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1733 level during Tuesday's trading session and currently trading at 1.1693 EUR/USD Support is at (1.1530-1.1590) any break below targets 1.1385 Short term and medium term outlook are bearish.

USD/JPY: The pair moved down to the 110.94 level during Tuesday's trading session and currently trading at 111.23 USD/JPY Support is at (110.25-110.55) 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	2.63
USD	1.96	2.07	2.31	2.53	2.83
EUR	-0.42	-0.40	-0.36	-0.31	-0.22
GBP	0.72	0.72	0.81	0.90	1.05
CHF	-0.79	-0.78	-0.73	-0.65	-0.52
AUD	1.84	1.89	2.11	2.24	2.32

Economic Events

Date	Country	Event	Actual	Forecast	Previous
27-Aug-18	EUR	German IFO Business Climate	103.8	101.9	101.7
28-Aug-18	USD	CB Consumer Confidence	133.4	126.6	127.4
29-Aug-18	USD	Prelim GDP q/q		4.0%	4.1%
29-Aug-18	USD	Crude Oil Inventories			-5.8M
29-Aug-18	NZD	AND Business Confidence			-44.9
29-Aug-18	AUD	Private Capital Expenditure q/q		0.6%	0.4%
30-Aug-18	CAD	GDP m/m			0.5%
30-Aug-18	CNY	Manufacturing PMI		51.0	51.2
31-Aug-18	EUR	German Retail Sales m/m		-0.2%	1.2%
31-Aug-18	EUR	Core CPI Flash Estimate y/y		1.1%	1.1%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.45	2.66	2.76	2.87	3.02
Germany	-0.67	-0.61	-0.25	0.38	1.05
United Kingdom	0.70	0.72	1.04	1.45	1.78
Japan	-0.12	-0.12	-0.08	0.09	0.83

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	74.77	(0.81)	Dow Jones	26,064.02	0.06
Brent	75.90	(0.03)	Nikkei 225	22,845.98	0.14
West Texas	68.49	(0.15)	S&P 500	2,897.52	0.03
Gold	1,203.69	0.24	KuwaitSE	5,118.33	(0.90)

All information has been sourced from Reuters.

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For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 (TELEX : 46811 - FAX +965 2241 9720).