

Highlights in the Foreign Exchange Market:

- US gross domestic product data revealed a rise of 4.2% in the second quarter, marking its most rapid growth since 2014. Such figures can be linked to massive tax cuts for companies amounting to \$1.5 trillion, creating a considerable stimulus for the economy. The data is likely to support the US Federal Reserve's plan to raise interest rates next month, in line with its plan for two more hikes this year. The personal consumption expenditure rose 1.9%, while the core PCE price index remained at 2% meeting expectations. However, fears regarding trade tensions may potentially weigh on the economy in the near future.
- EU's chief Brexit negotiator Michel Barnier announced on Wednesday that he was close to offering the UK a unique trade deal. He was quoted saying, "We are prepared to offer a partnership with Britain such as has never been with any other third country". The sterling shot higher in reaction to the news, breaking the 1.30 level for the first time in weeks. However, Barnier added that the UK must respect the core structures of the EU as the single market, insisting that this aspect is non-negotiable. The pound was up more than 1% yesterday and is currently trading around the 1.3027 level.
- The US Energy Information Administration announced that US crude inventories fell by 2.6 million barrels last week, surpassing analysts' expectations of a 686,000-barrel decrease. Oil prices climbed as the West Texas Intermediate was up 1.7% to \$69.710 per barrel, and Brent, considered an international benchmark, was up 1.84% to \$77.33 per barrel. The multi-week highs were due to US sanctions targeting Iran along with a larger than expected decline in crude stockpiles.

GBPUSD
Year to Date Performance



US Dollar Index
1 Year Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1590	1.1640	1.1701	1.1755	1.1805
GBP	1.2935	1.2975	1.3029	1.3070	1.3140
JPY	110.55	111.10	111.63	112.15	112.75
CHF	0.9600	0.9655	0.9707	0.9760	0.9810

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1706	(2.54)	EUR/GBP	0.8986	1.04
GBP/USD	1.3024	(3.59)	GBP/JPY	145.45	(4.37)
USD/JPY	111.65	(0.91)	EUR/JPY	130.74	(3.42)
USD/CHF	0.9705	(0.36)	EUR/CHF	1.1360	(2.87)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1650 level during Wednesday's trading session and currently trading at 1.1701 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 up to the 111.82 level during Wednesday's trading session and currently trading at 111.63 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	1.75	2.00	2.31	2.63
USD	1.96	2.08	2.31	2.53	2.83
EUR	-0.42	-0.40	-0.36	-0.32	-0.22
GBP	0.72	0.72	0.80	0.90	1.05
CHF	-0.79	-0.78	-0.73	-0.65	-0.52
AUD	1.85	2.06	2.02	2.17	2.27

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	4.2%	4.0%	4.1%
29-Aug-18	USD	Crude Oil Inventories	-2.6M		-5.8M
29-Aug-18	NZD	AND Business Confidence	-50.3		-44.9
29-Aug-18	AUD	Private Capital Expenditure q/q	-2.5%	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	2.44	2.67	2.78	2.88	3.02
Germany	-0.67	-0.61	-0.23	0.40	1.07
United Kingdom	0.71	0.74	1.08	1.47	1.80
Japan	-0.12	-0.12	-0.08	0.10	0.84

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	75.95	1.12	Dow Jones	26,124.57	0.23
Brent	75.70	(0.03)	Nikkei 225	22,868.69	0.09
West Texas	69.63	(0.14)	S&P 500	2,914.04	0.57
Gold	1,201.39	(0.40)	KuwaitSE	5,115.67	(0.90)

Global Indices

All information has been sourced from Reuters.

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