

Highlights in the Foreign Exchange Market:

- The dollar rose to a six-month high against the yen and steadied against other major peers this morning after U.S. positive inflation data supported market expectations for two more interest rate hikes from the Federal Reserve. Producer inflation in the US was higher than expected at 0.3% m/m and 3.4% y/y in June, the highest in six years. The core figure, which removes the effects of food and energy, also beat forecasts at 0.3%. Markets will now be paying attention to consumer price inflation to be released later today.
- Meanwhile, uncertainty regarding economic management under the new presidential system has caused the Turkish lira to depreciate to an all-time low of 4.97 against the dollar early Thursday morning. The Lira has lost in total 22% of its value against the U.S. currency so far this year.
- As anticipated, the Bank of Canada raised interest rates on Wednesday and signaled more rate hikes to come. The fourth rate increase since July 2017 appears as policy makers attempt to set aside "all the talk" about trade, with the bank maintaining confidence on its outlook. The bank said U.S. tariffs and Canada's retaliation would hit economic growth, however strong global demand and higher commodity prices should overpower their effects.
- Brent crude rose 1.53% on Thursday recouping some of the market's heavy losses yesterday on the news that Libya would resume oil exports. To avoid volatility, OPEC and other large producers said they are working on a long-term plan to build spare capacity that would cushion the market from unexpected outages. The fluctuations will continue as long as there is no long-term plan for production, Al-Mazrouei said.

Commodities Brent Crude



FX USD/TRY



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1575	1.1625	1.1679	1.1730	1.1775
GBP	1.3100	1.3150	1.3202	1.3250	1.3300
JPY	111.25	111.75	112.22	112.75	113.25
CHF	0.9855	0.9900	0.9954	1.0005	1.0055

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1672	(2.64)	EUR/GBP	0.8837	(0.39)
GBP/USD	1.3203	(2.31)	GBP/JPY	147.89	(2.60)
USD/JPY	112.00	(0.88)	EUR/JPY	130.72	(3.00)
USD/CHF	0.9958	2.19	EUR/CHF	1.1626	(0.48)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1668 level during Wednesday's trading session and currently trading at 1.1679 EUR/USD Support is at (1.1575-1.1595) any break below targets 1.1500. Short term outlook is slightly bearish and any move up should be limited to 1.1795. However, medium term outlook remains extremely bearish.

USD/JPY: The pair moved up to the 112.17 level during Wednesday's trading session and currently trading at 112.23 USD/JPY Resistance is at (113.25-113.45) any break above targets 114.75. Short term and medium term outlook remains 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	1.96	2.07	2.34	2.51	2.78
EUR	-0.42	-0.40	-0.36	-0.31	-0.23
GBP	0.48	0.55	0.72	0.84	1.00
CHF	-0.79	-0.77	-0.72	-0.65	-0.52
AUD	1.44	1.95	2.31	2.33	2.30

Economic Events

Date	Country	Event	Actual	Forecast	Previous
9-Jul-18	JPY	BOJ Goc Kuroda Speaks			
9-Jul-18	EUR	ECB President Draghi Speaks			
10-Jul-18	CNY	CPI y/y	1.9%	1.9%	1.8%
10-Jul-18	GBP	Manufacturing Production m/m	0.4%	1.0%	-1.4%
11-Jul-18	CAD	Overnight Rate	1.50%	1.50%	1.25%
11-Jul-18	GBP	BOE Gov Carney Speaks			
12-Jul-18	USD	CPI m/m		0.2%	0.2%
12-Jul-18	USD	Core CPI m/m		0.2%	0.2%
12-Jul-18	USD	Unemployment Claims		227K	231K
13-Jul-18	CNY	Trade Balance		183B	157B

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.33	2.59	2.76	2.86	2.96
Germany	-0.68	-0.68	-0.30	0.30	1.01
United Kingdom	0.70	0.74	1.04	1.29	1.73
Japan	-0.14	-0.14	-0.11	0.03	0.68

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	71.83	(3.83)	Dow Jones	24,700.45	(0.88)
Brent	74.96	(0.03)	Nikkei 225	22,220.11	1.31
West Texas	70.42	(0.14)	S&P 500	2,774.02	(0.71)
Gold	1,244.43	0.22	KuwaitSE	5,236.27	0.00

All information has been sourced from Reuters.

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