

Highlights in the Foreign Exchange Market:

- Last week President Trump's administration imposed new tariffs on \$34 billion of annual imports from China, the president also threatened to extend the tariffs to all goods imported from China. This new and quite dramatic escalation threatens \$500 billion worth of Chinese goods, and may well turn this series of trade disputes into a full-blown trade war. Regarding Europe, Trump is reportedly considering implementing 25% tariffs again, this time on autos and parts. A PIEE analysis projects that this could cost 195,000 jobs in the US, with the number more than tripling if the affected countries (mostly key US allies) retaliate.
- The Bureau of Labor Statistics indicated that 213K jobs were added in the US last month. The figure exceeded market expectations of 195K. Meanwhile, the unemployment rate increased from an 18-year low of 3.8% to 4%. This was the first increase in 10 months as more people entered the labor force in a sign of confidence in the jobs market. As for wages, they grew at a level of 2.8% y/y. Month on month, wages grew at a level of 0.2%. The steady wage gains pointed to moderate inflation pressures that should keep the Federal Reserve on a path of gradual interest rate increases.
- For better or worse, President Trump is not afraid of testing his allies' resolve. Trump lashed out at OPEC and piled pressure on close U.S. allies with a warning to stop manipulating oil markets. After complaining about high oil prices, the American president said that OPEC should put another 2 million barrels on the market to make up for the coming shortfall in Iranian crude sales due to sanctions. However, despite OPEC agreeing to increase production, oil prices stubbornly rose as production losses in Libya and Venezuela and the prospect of lower Iranian exports more than made up for promises of more Saudi crude. Now, Trump is calling for OPEC to do more to drop prices.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1650	1.1705	1.1762	1.1800	1.1855
GBP	1.3200	1.3250	1.3297	1.3355	1.3405
JPY	109.35	109.95	110.45	110.95	111.40
CHF	0.9785	0.9835	0.9885	0.9935	0.9985

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1767 level during Friday's trading session and currently trading at 1.1762 EUR/USD Support is at (1.1630-1.1650) any break below targets 1.1500. Short term outlook is slightly bearish and any move up should be limited to 1.1855. However, medium term outlook remains bearish.

USD/JPY: The pair moved down to the 110.35 level during Friday's trading session and currently trading at 110.45 USD/JPY Resistance is at (111.20-111.40) any break above targets 112.50. Short term outlook is slightly bullish and any move down should be limited to 109.35. However, medium term outlook remains bullish.

Economic Events

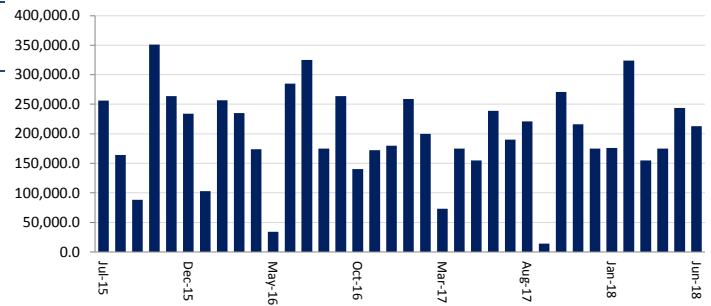
Date	Country	Event	Actual	Forecast	Previous
9-Jul-18	JPY	BOJ Goc Kuroda Speaks			
9-Jul-18	EUR	ECB President Draghi Speaks			
10-Jul-18	CNY	CPI y/y		1.9%	1.8%
10-Jul-18	GBP	Manufacturing Production m/m		1.0%	-1.4%
11-Jul-18	CAD	Overnight Rate		1.50%	1.50%
11-Jul-18	GBP	BOE Gov Carney Speaks			
12-Jul-18	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

All information has been sourced from Reuters

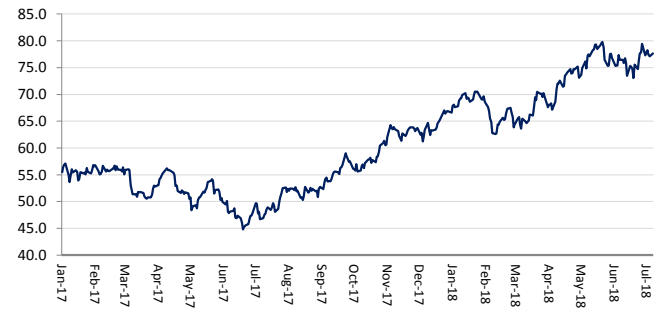
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US Non-Farm Payrolls



Brent Crude



Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1745	(1.87)	EUR/GBP	0.8844	(0.50)
GBP/USD	1.3284	(1.45)	GBP/JPY	146.70	(3.30)
USD/JPY	110.44	(1.97)	EUR/JPY	129.71	(3.81)
USD/CHF	0.9894	1.32	EUR/CHF	1.1625	(0.57)

Major Crosses

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.19	1.75	2.00	2.19	2.50
USD	1.97	2.09	2.33	2.51	2.77
EUR	-0.42	-0.40	-0.36	-0.31	-0.24
GBP	0.48	0.53	0.71	0.83	1.00
CHF	-0.79	-0.77	-0.73	-0.65	-0.52
AUD	1.40	2.21	2.23	2.29	2.15

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.29	2.54	2.73	2.84	2.94
Germany	-0.70	-0.69	-0.30	0.29	1.00
United Kingdom	0.70	0.74	1.03	1.26	1.71
Japan	-0.14	-0.13	-0.12	0.03	0.67

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	74.54	1.07	Dow Jones	24,456.48	99.74
Brent	74.57	(0.03)	Nikkei 225	22,089.44	300.19
West Texas	73.73	(0.14)	S&P 500	2,759.82	23.21
Gold	1,261.11	0.55	KuwaitSE	5,140.80	2.84