

Highlights in the Foreign Exchange Market:

- In the US, last week saw the release of the minutes from the most recent Fed meeting. The minutes indicated that the FOMC, the committee responsible for setting interest rate policy in the US, is expected to continue gradually raising interest rates while at the same time monitoring for any signs of widespread economic fallout from Trump's aggressive trade policies. Policy makers expressed their concern over the currently imposed tariffs and any future ones yet to be announced, since they may hurt the ongoing economic recovery. Moreover, officials were also worried over a recent slowdown in home building. Finally, despite the vocal disapproval displayed by Trump, the Fed showed no signs of deviating from its path to return interest rates to more historically normal levels. In fact, the minutes indicated that "many participants suggested that if incoming data continued to support their current economic outlook, it would likely soon be appropriate to take another step in removing policy accommodation." So far, markets seem to believe that a hike during the Fed's meeting next month is a done deal.
- The British government has set out contingency plans in case of a no-deal Brexit. Government papers revealed that companies doing business with the European Union will face plenty of red tape, border delays, and costlier credit card payments should the two sides fail to reach an agreement before the deadline in seven months. Even though Brexit minister Raab expressed his confidence over the prospect of an agreement with the EU, he said the government wanted to "plan for every eventuality". Further details, or so-called technical notes, will be released over the coming weeks with the purpose of advising businesses and individuals on how to prepare for any disruption that might arise from a disorderly Brexit.
- Nevertheless, the British pound took advantage of dollar weakness. During the past week, the pound appreciated 1% against the dollar after being subdued by Brexit volatility. Meanwhile, markets witnessed the euro's strongest week in 6 months as it soared against the dollar. Towards the end of the week, the euro settled at a price of 1.1600.

GBP/USD
1-Year Performance



US Dollar Index
Year to Date Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1420	1.1515	1.1621	1.1720	1.1850
GBP	1.2640	1.2740	1.2843	1.2950	1.3050
JPY	109.15	110.20	111.22	112.20	113.25
CHF	0.9625	0.9730	0.9831	0.9930	1.0030

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1621	3.13	EUR/GBP	0.9047	1.85
GBP/USD	1.2843	(4.96)	GBP/JPY	142.84	(6.09)
USD/JPY	111.22	(1.29)	EUR/JPY	129.26	(4.38)
USD/CHF	0.9831	0.90	EUR/CHF	1.1425	(2.26)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1639 level during Friday's trading session and closed for the week at 1.1621 EUR/USD Support is at (1.1420-1.1460) any break below targets 1.1300 Short term and medium term outlook are neutral.

USD/JPY: The pair moved up to the 111.48 level during Friday's trading session and closed for the week at 111.22 USD/JPY Support is at (109.15-109.45) 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	2.25	2.56
USD	1.96	2.07	2.32	2.52	2.82
EUR	-0.42	-0.39	-0.36	-0.31	-0.22
GBP	0.71	0.72	0.81	0.90	1.04
CHF	-0.79	-0.78	-0.73	-0.65	-0.52
AUD	1.64	2.00	2.11	2.40	2.35

Economic Events

Date	Country	Event	Actual	Forecast	Previous
27-Aug-18	EUR	German IFO Business Climate		101.9	101.7
28-Aug-18	USD	CB Consumer Confidence		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	2.42	2.62	2.71	2.81	2.96
Germany	-0.68	-0.62	-0.28	0.34	1.00
United Kingdom	0.70	0.72	1.00	1.27	1.76
Japan	-0.13	-0.12	-0.08	0.09	0.83

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	74.80	(0.01)	Dow Jones	25,790.35	0.52
Brent	73.60	(0.03)	Nikkei 225	22,601.77	0.85
West Texas	69.46	(0.71)	S&P 500	2,874.69	0.62
Gold	1,205.55	1.74	KuwaitSE	5,208.54	(0.90)

All information has been sourced from Reuters.

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