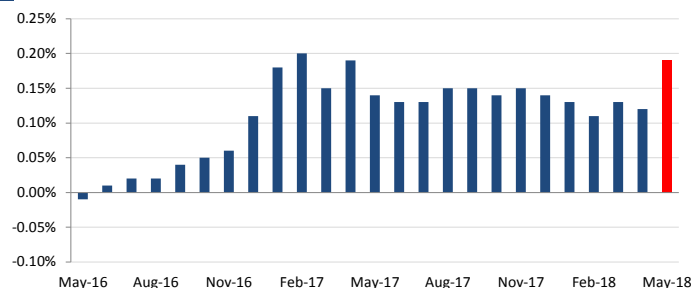


Highlights in the Foreign Exchange Market:

- Asian stocks gained after US jobs data bolstered optimism in the world's largest economy last week, outweighing global trade tensions. The dollar and the yen weakened as demand for haven assets retreated. Nikkei index gained 304.59 points to reach 22,475.94 during midmorning trade.
- In the Eurozone, consumer price growth inflated to 1.9% last month from 1.2% in April. Eliminating volatility of energy and unprocessed food prices, core inflation rose to 1.3% from 1.1%. Another core inflation measure, which excludes alcohol and tobacco, came in at 1.1% from 0.7% seen in April. Moreover, there was a significant rise in headline inflation across the big four. German price growth soared from 1.4% to 2.2%. French inflation was elevated from 1.8% to 2.3%. Spanish prices jumped from 1.1% to 2.1%. Lastly, in Italy, inflation rose from 0.6% to 1.1%. The above data indicates inflation in the single economy was mostly broad based.
- China's manufacturing industry defied market expectations and further entered into growth territory as the PMI rose to an 8-month high in May. The manufacturing PMI data came in at 51.9 from 51.4 recorded in April and was above the median forecast compiled by Reuters of a decline to 51.3. Strong supply-demand factors and inflated global commodity prices contributed to the improvement in May's manufacturing PMI reading. Meanwhile, the service industry also didn't disappoint to the downside and rose by 0.1 to 54.9.

EU CPI



USD/JPY

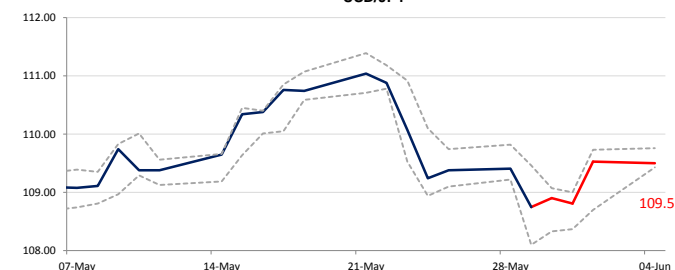


Chart Points and Other Technical Input

| CCY | 2nd Support | 1st Support | Spot | 1st Resistance | 2nd Resistance |
|-----|-------------|-------------|---------------|----------------|----------------|
| EUR | 1.1570 | 1.1620 | 1.1678 | 1.1725 | 1.1780 |
| GBP | 1.3255 | 1.3300 | 1.3362 | 1.3410 | 1.3460 |
| JPY | 108.50 | 109.00 | 109.62 | 110.05 | 110.55 |
| CHF | 0.9775 | 0.9825 | 0.9876 | 0.9925 | 0.9985 |

Major Currencies

| CCY | Closing Rate | YTD % | CCY | Closing Rate | YTD % |
|---------|--------------|--------|---------|--------------|--------|
| EUR/USD | 1.1660 | (2.46) | EUR/GBP | 0.8738 | (1.41) |
| GBP/USD | 1.3347 | (1.15) | GBP/JPY | 146.16 | (3.85) |
| USD/JPY | 109.53 | (2.82) | EUR/JPY | 127.69 | (5.22) |
| USD/CHF | 0.9880 | 1.26 | EUR/CHF | 1.1515 | (1.23) |

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1616 level during Friday's trading session and currently trading at 1.1678. EUR Resistance is at (1.1750-1.1780) any break above targets 1.1850 and Support is at (1.1530-1.1570) any break below targets 1.1460 The pair is currently Neutral.

USD/JPY: The pair moved up to the 109.73 level during Friday's trading session and currently trading at 109.63 USD/JPY Resistance is at (110.55-110.75) any break above targets 111.40 and Support is at (108.50-108.70) any break below targets 107.80 The pair is currently Neutral.

Local & Global Rates

| CCY | 1-Week | 1-Month | 3-Month | 6-Month | 1-Year |
|-----|--------|---------|---------|---------|--------|
| KWD | 1.13 | 1.75 | 2.00 | 2.19 | 2.50 |
| USD | 1.75 | 2.00 | 2.32 | 2.47 | 2.72 |
| EUR | -0.42 | -0.41 | -0.35 | -0.31 | -0.23 |
| GBP | 0.49 | 0.50 | 0.62 | 0.73 | 0.90 |
| CHF | -0.80 | -0.79 | -0.73 | -0.65 | -0.53 |
| AUD | 1.57 | 2.04 | 2.01 | 2.09 | 2.25 |

Economic Events

| Date | Country | Event | Actual | Forecast | Previous |
|----------|---------|-----------------------------|--------|----------|----------|
| 4-Jun-18 | GBP | Construction PMI | | 52.0 | 52.5 |
| 5-Jun-18 | CNY | Caixin Services PMI | | 52.9 | 52.9 |
| 5-Jun-18 | GBP | Services PMI | | 52.9 | 52.8 |
| 5-Jun-18 | EUR | ECB President Draghi Speaks | | | |
| 5-Jun-18 | USD | ISD Non-Manufacturing PMI | | 57.9 | 56.8 |
| 6-Jun-18 | AUD | GDP q/q | | 0.8% | 0.4% |
| 7-Jun-18 | GBP | Halifax HPI m/m | | 1.1% | -3.1% |
| 7-Jun-18 | AUD | Trade Balance | | 1.03B | 1.53B |
| 8-Jun-18 | CNY | Trade Balance | | 192B | 183B |
| 9-Jun-18 | CNY | CPI y/y | | 1.9% | 1.8% |

Government Yields

| Country | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|----------------|--------|--------|--------|---------|---------|
| United States | 2.21 | 2.48 | 2.76 | 2.91 | 3.05 |
| Germany | -0.71 | -0.67 | -0.24 | 0.38 | 1.07 |
| United Kingdom | 0.53 | 0.63 | 0.99 | 1.28 | 1.75 |
| Japan | -0.15 | -0.14 | -0.11 | 0.04 | 0.72 |

Commodities

| Index | Last Price | % Change | Index | Last Price | Change |
|------------|------------|----------|------------|------------|---------|
| Kuwait Oil | 73.74 | (1.30) | Dow Jones | 24,635.21 | 219.37 |
| Brent | 74.48 | (0.03) | Nikkei 225 | 22,171.35 | (30.47) |
| West Texas | 65.81 | 0.00 | S&P 500 | 2,734.62 | 29.35 |
| Gold | 1,293.54 | 0.06 | KuwaitSE | 4,750.11 | 3.23 |

All information has been sourced from Reuters

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