

Highlights in the Foreign Exchange Market:

- Asian stocks traded mixed as traders anticipated the next development in US-China trade tensions after a ratcheting up of rhetoric sparked a global sell-off yesterday. Treasury yields ticked lower and the dollar stabilized. Japan's Topix index fell, while stocks rose in Australia and South Korea. Equities fluctuated in Hong Kong and fell in China, with the Shanghai Composite Index remaining below the key 3,000 level it broke yesterday.
- U.S. homebuilding rose to an 11-year high in May due to the spurring in both single and multi-family home construction. However, housing demand met with high lumber prices imposed by the Trump administration in April 2017 as well as labor and land shortages has depleted the number of properties for sale. On Monday, the National Association of Home Builders released a report expressing an unexpected deterioration in homebuilder confidence following the rise in lumber prices. The Commerce Department released a report on Tuesday showing the larger than expected jump in new residential construction in the U.S. in the month of May. The report reveals housing starts rose by 5.0% to an annual rate of 1.350 million in May after dropping 3.1% to a rate of 1.286 million in April. Reports on building permits reveal a plunge by 4.6% to an annual rate of 1.301 million in May after falling by 0.9% to a rate of 1.364 million in April. With permits lagging behind, homebuilding is expected to slow in the months ahead.
- In the UK, Prime Minister Theresa May will take on pro-European rebels in her own party as she battles to keep control of the U.K.'s exit negotiations. This afternoon session's clash in Parliament could have far-reaching consequences for May's future and the direction of Brexit talks. The continuing uncertainty have weighed on the currency pushing the cable to an 8-month low of 1.3150.

GBPUSD
YTD Performance



Economic Indicator
US Housing Starts

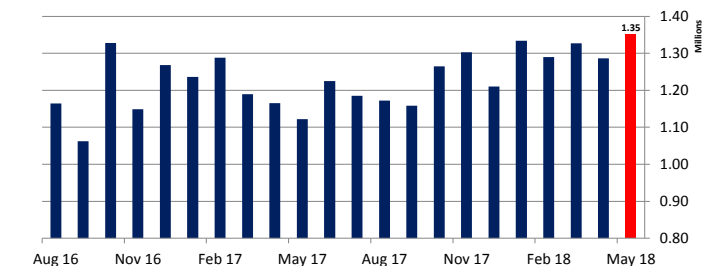


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1505	1.1540	1.1567	1.1615	1.1670
GBP	1.3080	1.3110	1.3159	1.3190	1.3230
JPY	109.30	109.85	110.17	110.55	110.90
CHF	0.9825	0.9890	0.9955	0.9990	1.0075

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1590	-3.37	EUR/GBP	0.8796	1.01
GBP/USD	1.3174	-2.57	GBP/JPY	145.00	4.95
USD/JPY	110.06	2.28	EUR/JPY	127.56	6.07
USD/CHF	0.9950	-2.18	EUR/CHF	1.15	1.50

Brief Technical Commentary

Euro broke many supports yesterday and currently trading below 1.1600 level. Short term is slightly bearish. However medium term outlook remains extremely bearish. 1.1500 will be a critical psychological and technical level for the pair. Any break of that will target 1.1300 level. On the upside, a break above 1.1670 will turn the outlook into neutral.

USDJPY had a decent recovery to the upside yesterday. Short term outlook is neutral. However, general strength in USD across the board is observed for the long run. A break above 110.55 would turn the outlook into a bullish case. On the downside, a break below 109.30 would turn the outlook to slightly negative.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.75	2.00	2.19	2.50
USD	1.97	2.08	2.32	2.50	2.77
EUR	-0.43	-0.40	-0.36	-0.30	-0.23
GBP	0.49	0.51	0.63	0.76	0.94
CHF	-0.79	-0.79	-0.73	-0.64	-0.52
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
18-Jun-18	EUR	ECB President Draghi Speaks	-	-	-
18-Jun-18	USD	FOMC Member Williams Speaks	-	-	-
19-Jun-18	AUD	Monetary Policy Meeting Minutes	-	-	-
19-Jun-18	USD	Building Permits	1.30M	1.35M	1.36M
19-Jun-18	USD	Housing Starts	1.35M	1.31M	1.29M
20-Jun-18	USD	Fed Chair Powell Speaks	-	-	-
20-Jun-18	JPY	BOJ Gov Kuroda Speaks	-	-	-
20-Jun-18	EUR	ECB President Draghi Speaks	-	-	-
21-Jun-18	CHF	SNB Press Conference	-	-	-
21-Jun-18	GBP	Official Bank Rate	-	0.50%	0.50%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.55	2.66	2.78	2.90	3.03
Germany	-0.67	-0.57	-0.26	0.37	1.13
United Kingdom	0.69	0.72	1.02	1.28	1.75
Japan	-0.14	-0.15	-0.12	0.03	0.71

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	70.46	-1.95	Dow Jones	24,700.21	-1.15
Brent	75.42	0.45	Nikkei 225	22,505.74	1.02
West Texas	65.55	0.74	S&P 500	2,762.59	-0.40
Gold	1,274.87	0.02	KuwaitSE	4,864.02	-0.28

All information has been sourced from Bloomberg

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