

Highlights in the Foreign Exchange Market:

- US consumer prices edged up modestly last month pointing to a steady buildup in inflation. The CPI came in at 2.5%, the biggest gain in 14 months after rising 2.4% in March. The 3% jump in gasoline prices was the main factor for the increase in consumer inflation. However, the core data was muted as the annual rate remained unchanged at 2.1% on an annual basis. The big picture remains that core inflation has accelerated this year faster than Fed officials anticipated just a few months ago, which will keep the Fed on track to raise interest rates again in June.
- In China, the inflationary report was mixed as consumer prices descended, while producer price growth rose for the first time in 7 months. The annual CPI fell from 2.1% to 1.8% in April, mainly due to food prices slowing down sharply. Therefore, this confirms the assessment that the spike in February was only one-off and was largely the result of the New Year Effect. The core CPI indicator that excludes volatile of food and energy prices rose 2.0% y/y, unchanged from March.
- As for the currency market, most majors weren't affected by the US withdrawal from the nuclear deal as they ended the weekly session where they had started off on Monday. It was a different story for appreciating currencies like the Canadian dollar, Norwegian krone and Russian Ruble. Currencies of some oil exporting countries soared last week after oil prices spiked to a 4-year high and Brent crude oil reached \$78 a barrel. The increase in oil prices could create losers and winners in the FX market depending on whether the nation is a net importer or exporter of oil.

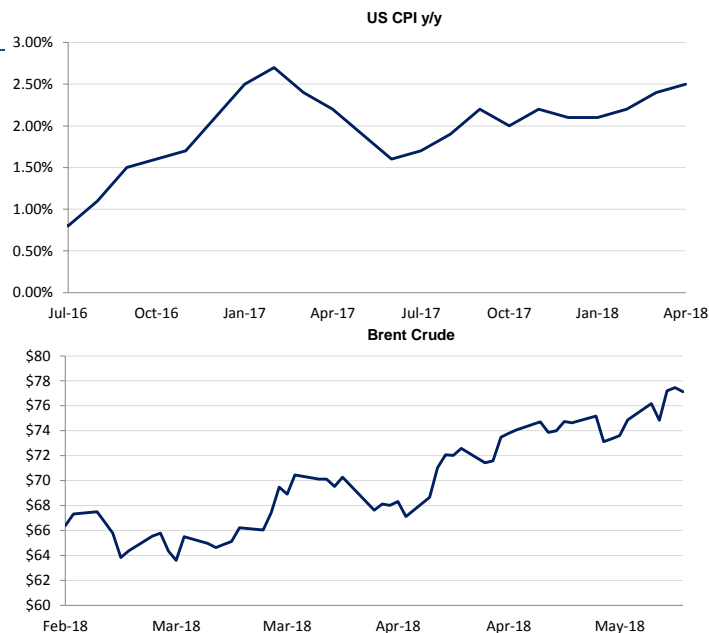


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1750	1.1870	1.1947	1.1980	1.2040
GBP	1.3350	1.3480	1.3540	1.3620	1.3670
JPY	108.25	108.80	109.38	110.05	111.30
CHF	0.9870	0.9950	1.0008	1.0060	1.0170

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1942	(0.45)	EUR/GBP	0.8817	(0.73)
GBP/USD	1.3541	0.21	GBP/JPY	148.12	(2.62)
USD/JPY	109.38	(2.92)	EUR/JPY	130.59	(3.40)
USD/CHF	1.0004	2.68	EUR/CHF	1.1944	2.18

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1968 level during Friday's trading session and closed the week at 1.1947. EUR Resistance is at (1.1980-1.2040) any break above targets 1.2120 and Support is at (1.1750-1.1870) any break below targets 1.1710. The pair is currently Bearish.

USD/JPY: The pair moved down to the 109.13 level during Friday's trading session and closed the week at 109.38. USD/JPY Resistance is at (110.05-111.30) any break above targets 112.20. The pair is currently Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.19	1.75	2.00	2.19	2.44
USD	1.75	1.92	2.34	2.52	2.77
EUR	-0.43	-0.40	-0.35	-0.32	-0.24
GBP	0.48	0.50	0.65	0.76	0.93
CHF	-0.80	-0.78	-0.72	-0.65	-0.52
AUD	1.55	1.90	2.07	2.15	2.25

Economic Events

Date	Country	Event	Actual	Forecast	Previous
14-May-18	USD	FOMC Member Mester Speaks	-	-	-
15-May-18	CNY	Industrial Production y/y	-	6.4%	6.0%
15-May-18	GBP	Average Earnings Index 3m/y	-	2.7%	2.8%
15-May-18	GBP	Unemployment Rate	-	4.2%	4.2%
15-May-18	EUR	Flash GDP q/q	-	0.4%	0.4%
15-May-18	GBP	Inflation Report Hearings	-	-	-
15-May-18	USD	Retail Sales m/m	-	0.4%	0.6%
16-May-18	EUR	Final CPI y/y	-	1.2%	1.2%
16-May-18	EUR	ECB President Draghi Speaks	-	-	-
16-May-18	CHF	SNB Chairman Jordan Speaks	-	-	-

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.25	2.53	2.84	2.97	3.10
Germany	-0.68	-0.58	-0.08	0.56	1.24
United Kingdom	0.67	0.78	1.13	1.45	1.87
Japan	-0.14	-0.14	-0.11	0.04	0.73

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	72.84	(0.34)	Dow Jones	24,831.17	91.64
Brent	78.36	(0.03)	Nikkei 225	22,758.48	261.30
West Texas	70.64	(0.14)	S&P 500	2,727.72	4.65
Gold	1,317.68	(0.25)	KuwaitSE	4,834.50	5.87

All information has been sourced from Reuters

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