

Highlights in the Foreign Exchange Market:

- The greenback gained on the yen as risk appetite improved and Wall Street's main indexes advanced, helping the US currency stabilize after recent declines. The three major US stock indices ended higher after a choppy session yesterday as investors looked forward to earnings season.
- The British pound held steady against a mostly firmer dollar yesterday as data showed British manufacturing gained a bit of momentum and investors shifted their focus from Brexit to the state of the UK economy. Positive developments in Brexit negotiations and expectations of an interest rate hike as early as May have helped sterling outperform most major currencies this year.
- Euro-area manufacturing expanded at the weakest pace in eight months in March as factories delayed production due to increasing capacity constraints. IHS Markit said. Activity slowed across countries and industries in the region but remained indicative of solid growth nonetheless.
- Meanwhile investors will be paying attention for estimates out of Europe later in the day. While the last estimate was a growth of 1.1% y/y, projections are for a 1.4% increase. A positive reading should support a QE exit by the ECB later in the year.
- The Caixin China General services PMI for March came in at 52.3 vs. 54.5 expected and a previous reading of 54.2. This indicated output growth easing across both manufacturing and service sectors. Both new business and employment grew at a slower rate last month, pointing to cooling demand.



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2185	1.2230	1.2281	1.2335	1.2385
GBP	1.3985	1.4035	1.4085	1.4135	1.4190
JPY	105.45	106.00	106.51	106.95	107.55
CHF	0.9470	0.9525	0.9577	0.9630	0.9680

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2269	2.27	EUR/GBP	0.8726	(1.85)
GBP/USD	1.4056	4.11	GBP/JPY	149.84	(1.38)
USD/JPY	106.59	(5.36)	EUR/JPY	130.79	(3.23)
USD/CHF	0.9586	(1.61)	EUR/CHF	1.1765	0.63

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.2252 level during Tuesday's trading session and currently trading at 1.2281. EUR Resistance is at (1.2385-1.2425) any break above targets 1.2540 and Support is at (1.2155-1.2185) any break below targets 1.2090. The pair is currently Neutral.

USD/JPY: The pair moved up to the 106.65 level during Tuesday's trading session and currently trading at 106.51 USD/JPY Resistance is at (107.55-107.75) any break above targets 107.90 and Support is at (105.25-105.45) any break below targets 104.20. The pair is currently Neutral.

Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-Apr-18	CNY	Caixin Manufacturing PMI	51.0	51.8	51.6
3-Apr-18	USD	ISM Manufacturing PMI	59.3	60.1	60.8
3-Apr-18	EUR	German Retail Sales	-0.7%	0.7%	-0.7%
4-Apr-18	CNY	Caixin Services PMI	52.3	54.5	54.2
4-Apr-18	GBP	Construction PMI		51.2	51.4
4-Apr-18	EUR	CPI Flash Estimate		1.4%	1.1%
5-Apr-18	GBP	Services PMI		54.2	54.5
6-Apr-18	USD	Average Hourly Earnings		0.3%	0.1%
6-Apr-18	USD	Non-Farm Payrolls		190K	313K
6-Apr-18	USD	Fed Chair Powell Speaks		0.2%	0.3%

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.31	1.75	2.00	2.25	2.50
USD	1.74	1.88	2.32	2.46	2.67
EUR	-0.42	-0.40	-0.36	-0.32	-0.25
GBP	0.49	0.51	0.72	0.84	1.01
CHF	-0.81	-0.79	-0.74	-0.65	-0.52
AUD	1.37	2.03	2.20	2.24	2.20

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.05	2.27	2.59	2.77	3.01
Germany	-0.72	-0.60	-0.10	0.50	1.15
United Kingdom	0.73	0.82	1.12	1.36	1.73
Japan	-0.14	-0.14	-0.12	0.03	0.71

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	64.09	0.06	Dow Jones	24,033.36	389.17
Brent	66.28	(0.03)	Nikkei 225	21,319.55	27.26
West Texas	63.40	(0.03)	S&P 500	2,614.45	32.57
Gold	1,334.68	0.11	PremierKSE	4,840.45	4.61

All information has been sourced from Reuters

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