

Highlights in the Foreign Exchange Market:

- The dollar remained near its five-month high as risk factors eased igniting a rally that took the benchmark 10-year Treasury yield above 3%. The dollar has gained as easing tensions in the Korean Peninsula and moves by China and the United States to avoid a full-blown trade war allowed investors to focus on the US yield advantage over other countries. The US dollar index was last 93.269 while the 10 year treasury yield stood at 3.0668%.
- In the US, retail sales showed a moderate increase in April as rising gasoline prices cut into discretionary spending. Although moderate, the growth of 0.3% in April which followed an increase of 0.8% in the prior month does suggest that households are spending more freely following a sluggish period at the start of the year. This is an effect of unemployment reaching its lowest since the dotcom boom and rising wages. Analysts believe that the data will leave the Federal Reserve on track to continue the gradual program of rate rises.
- In the UK, regular pay which excludes bonuses rose 2.9% as it overtook the inflation rate for the first time in more than a year. Unemployment remained at the historically 43-year low of 4.2%. However total earning growth slowed to 2.6% as the big December bonuses fell out of the calculation. Thus, we have seen interest rate probabilities for a hike in August marginally increase to reach 49.1%.

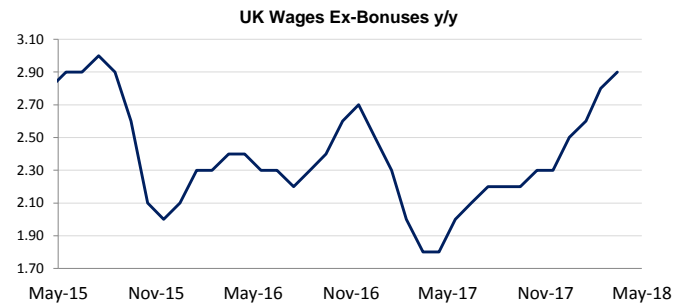


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1710	1.1770	1.1835	1.1850	1.1890
GBP	1.3380	1.3450	1.3505	1.3530	1.3585
JPY	109.50	109.85	110.26	110.50	111.20
CHF	0.9940	0.9985	1.0004	1.0060	1.0100

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1837	(1.34)	EUR/GBP	0.8762	(1.40)
GBP/USD	1.3504	(0.02)	GBP/JPY	149.00	(2.06)
USD/JPY	110.34	(2.14)	EUR/JPY	130.61	(3.46)
USD/CHF	1.0012	2.63	EUR/CHF	1.1850	1.26

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1815 level this morning and currently trading at 1.1835. EUR Resistance is at (1.1850-1.1890) any break above targets 1.1940 and Support is at (1.1770-1.1710) any break below targets 1.1650. The pair is currently Bearish.

USD/JPY: The pair moved up to the 110.45 level during Tuesday's trading session and currently trading at 110.26. USD/JPY Resistance is at (110.50-111.20) any break above targets 111.85. 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	1.94	2.32	2.49	2.75
EUR	-0.43	-0.40	-0.35	-0.31	-0.24
GBP	0.49	0.50	0.64	0.76	0.93
CHF	-0.80	-0.78	-0.72	-0.64	-0.52
AUD	1.45	1.75	2.02	2.09	2.18

Economic Events

Date	Country	Event	Actual	Forecast	Previous
14-May-18	USD	FOMC Member Mester Speaks	-	-	-
15-May-18	CNY	Industrial Production y/y	7.0%	6.4%	6.0%
15-May-18	GBP	Average Earnings Index 3m/y	4.2%	2.7%	2.8%
15-May-18	GBP	Unemployment Rate	4.2	4.2%	4.2%
15-May-18	EUR	Flash GDP q/q	0.4%	0.4%	0.4%
15-May-18	GBP	Inflation Report Hearings	-	-	-
15-May-18	USD	Retail Sales m/m	0.3%	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	2.28	2.58	2.91	3.07	3.20
Germany	-0.68	-0.55	0.00	0.64	1.31
United Kingdom	0.70	0.83	1.20	1.51	1.91
Japan	-0.14	-0.14	-0.10	0.05	0.75

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	73.80	(0.91)	Dow Jones	24,706.41	(193.00)
Brent	79.93	(0.03)	Nikkei 225	22,720.58	(97.44)
West Texas	71.29	(0.14)	S&P 500	2,711.45	(18.68)
Gold	1,294.19	0.31	KuwaitSE	4,811.91	7.87

All information has been sourced from Reuters

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For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 (TELEX : 46811 - FAX +965 2241 9720).