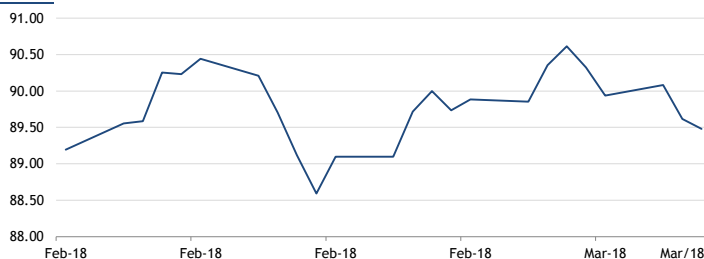


Highlights in the Foreign Exchange Market:

- The US dollar continued to fall against its major counterparts this morning as fears of a trade war mounted. The recent resignation of Trump's economic advisor Gary Cohn, who was an advocate of free trade, has led markets to believe that the President is serious about imposing hefty tariffs on steel and aluminum. Since Trump announced his tariff plan on Thursday, the dollar index lost about 1.3% against a group of currencies.
- Bank of Japan Governor Haruhiko Kuroda spoke yesterday placing a timeframe on an exit from the BoJ's large monetary stimulus for the first time. Kuroda said that there is not plan to raise short-term rates or abandon negative rates right now. The central bank will start thinking about stimulus exit towards 2019, when inflation is forecast to meet the 2% target. However, Kuroda added that "right now it's too early to debate what tools we should use, and what kind of pace we should take." He also emphasized that BoJ might not exit stimulus even then.
- In Australia, economic growth decelerated in the fourth quarter of 2017, where a strong rebound in household spending was offset by a fall in exports. The country's GDP grew by 0.4% undershooting forecasts of 0.5% increase, and slowing from 0.7% achieved in the previous quarter. Year-on-year, the growth rate increased 2.4% coming shorter than the forecasted 2.5%. As for retail sales, Australian retailers did not enjoy a strong start to the year where retail sales grew by only 0.1% versus the forecast of 0.4%. The slowdown was evident across the majority of sectors, with only a handful of sectors showing growth including pharmaceuticals and cosmetics. Food sales on the other hand remained flat.

US Dollar Index



US 10yr Treasury Yield



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2315	1.2365	1.2418	1.2470	1.2530
GBP	1.3795	1.3845	1.3895	1.3955	1.4005
JPY	104.65	105.15	105.67	106.20	106.70
CHF	0.9270	0.9325	0.9375	0.9425	0.9475

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2402	3.57	EUR/GBP	0.8932	0.66
GBP/USD	1.3885	2.80	GBP/JPY	147.34	(3.56)
USD/JPY	106.11	(6.27)	EUR/JPY	131.63	(2.94)
USD/CHF	0.9405	(3.87)	EUR/CHF	1.1668	(0.44)

Major Crosses

Brief Technical Commentary

EUR/USD: pair moved up to the 1.2420 level during Tuesday's trading session and currently trading at 1.2418. EUR Resistance is at (1.2530-1.2560) any break above targets 1.2640 and Support is at (1.2295-1.2315) any break below targets 1.2150. The pair is currently Neutral.

USD/JPY: pair moved up to the 106.46 level during Tuesday's trading session and currently trading at 105.68 USD/JPY Resistance is at (106.70-106.90) any break above targets 107.70 and Support is at (104.65-104.85) any break below targets 103.75. The pair is currently Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.31	1.69	1.88	2.13	2.38
USD	1.48	1.71	2.05	2.24	2.51
EUR	-0.42	-0.40	-0.38	-0.33	-0.25
GBP	0.48	0.50	0.60	0.70	0.92
CHF	-0.80	-0.81	-0.74	-0.66	-0.53
AUD	1.59	2.35	2.11	2.15	2.00

Economic Events

Date	Country	Event	Actual	Forecast	Previous
4-Mar-18	EUR	Italian Parliamentary Election	-	-	-
5-Mar-18	GBP	Services PMI	54.5	53.3	53.0
5-Mar-18	USD	ISM Non-Manufacturing PMI	59.5	58.9	59.9
6-Mar-18	AUD	Cash Rate	1.50%	1.50%	1.50%
6-Mar-18	AUD	RBA Rate Statement	-	-	-
6-Mar-18	GBP	MPC Member Haldane Speaks	-	-	-
7-Mar-18	USD	ADP Non-Farm Employment	-	194K	234K
8-Mar-18	EUR	Minimum Bid Rate	-	0.00%	0.00%
9-Mar-18	JPY	BOJ Policy Rate	-	-0.10%	-0.10%
9-Mar-18	USD	Average Hourly Earnings m/m	-	0.3%	0.3%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.05	2.23	2.62	2.85	3.12
Germany	-0.70	-0.56	0.04	0.68	1.33
United Kingdom	0.69	0.80	1.18	1.52	1.94
Japan	-0.17	-0.17	-0.12	0.04	0.74

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	61.67	(1.03)	Dow Jones	24,884.12	9.36
Brent	66.46	(0.03)	Nikkei 225	21,238.77	(177.44)
West Texas	62.53	(0.03)	S&P 500	2,728.12	7.18
Gold	1,334.51	(0.03)	KuwaitSE	6,812.12	6.38

All information has been sourced from Reuters

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

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).