

Highlights in the Foreign Exchange Market:

- US President Donald Trump attacked the Fed for raising interest rates last week. Trump, whose monetary policy preferences have wildly fluctuated as a presidential nominee and sitting president, said he was "not thrilled" with the Federal Reserve under Jerome Powell, the man he nominated to run it. As is customary with the current president, Trump departed from the traditional practice of not interfering with the Fed and indicated that he will continue to do so as long as the Fed keeps lifting rates. In the past, American presidents have rarely criticized the Fed because its independence has been seen as important for economic stability.
- As trade tensions between China and the US show no signs of a break through, China's central bank announced it would resume the counter-cyclical factor in an attempt to counter the weaker yuan. The meeting between US and Chinese officials on Thursday resulted in no major breakthrough, while tariffs on \$200 billion of Chinese goods are said to go into effect in late September. The yuan has fallen more than 400 pips against the US dollar, and is currently trading at around the 6.8412 level.
- Meanwhile in Australia, local political drama drove up volatility in the FX market last week. Prime Minister Turnbull lost a leadership challenge which saw him ousted as Prime Minister. Due to replace him is another member of his party (the Liberal Party), Scott Morrison. After losing the leadership challenge, Turnbull announced he is stepping down as MP, spurring special elections for a candidate to replace him. With this in mind, note that right now the Liberal Party enjoys an astonishingly small majority in Parliament – literally a single seat. Because of this, Turnbull's announcement to step down as a MP has jeopardized his party's majority in parliament. Meanwhile, polls have shown that the Liberal party has been losing ground to the Australia Labor party and voters may very well deprive the Liberal party of a majority in parliament. All in all, this has cast a shadow over the political stability of the country, especially with the election coming up in 2019.

US Dollar Index
1-Year Performance



USD/CNY
Year to Date Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1520	1.1570	1.1621	1.1675	1.1720
GBP	1.2740	1.2790	1.2848	1.2900	1.2950
JPY	110.00	110.55	111.06	111.55	112.05
CHF	0.9730	0.9785	0.9837	0.9885	0.9940

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1621	3.16	EUR/GBP	0.9047	1.78
GBP/USD	1.2843	(4.89)	GBP/JPY	142.84	(6.19)
USD/JPY	111.22	(1.45)	EUR/JPY	129.26	(4.57)
USD/CHF	0.9831	0.96	EUR/CHF	1.1425	(2.21)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1639 level during Friday's trading session and currently trading at 1.1621 EUR/USD Support is at (1.1500-1.1520) any break below targets 1.1300 Short term and medium term outlook are bearish.

USD/JPY: The pair moved up to the 111.48 level during Friday's trading session and currently trading at 111.06 USD/JPY Support is at (109.80-110.00) any break below targets 108.25 Short term and medium term outlook are bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.75	2.00	2.25	2.75
USD	1.96	2.07	2.32	2.52	2.82
EUR	-0.42	-0.39	-0.36	-0.31	-0.22
GBP	0.71	0.72	0.81	0.90	1.04
CHF	-0.79	-0.78	-0.73	-0.65	-0.52
AUD	1.78	1.83	2.02	2.29	2.27

Economic Events

Date	Country	Event	Actual	Forecast	Previous
27-Aug-18	EUR	German IFO Business Climate		101.9	101.7
28-Aug-18	USD	CB Consumer Confidence		126.6	127.4
29-Aug-18	USD	Prelim GDP q/q		4.0%	4.1%
29-Aug-18	USD	Crude Oil Inventories			-5.8M
29-Aug-18	NZD	AND Business Confidence			-44.9
29-Aug-18	AUD	Private Capital Expenditure q/q		0.6%	0.4%
30-Aug-18	CAD	GDP m/m			0.5%
30-Aug-18	CNY	Manufacturing PMI		51.0	51.2
31-Aug-18	EUR	German Retail Sales m/m		-0.2%	1.2%
31-Aug-18	EUR	Core CPI Flash Estimate y/y		1.1%	1.1%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.42	2.62	2.72	2.82	2.96
Germany	-0.68	-0.62	-0.28	0.34	1.00
United Kingdom	0.70	0.71	1.00	1.27	1.76
Japan	-0.13	-0.12	-0.08	0.09	0.82

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	74.93	0.16	Dow Jones	25,790.35	0.52
Brent	73.60	(0.03)	Nikkei 225	22,826.86	1.00
West Texas	69.46	(0.71)	S&P 500	2,874.69	0.82
Gold	1,207.22	0.14	KuwaitSE	5,185.92	(0.90)

All information has been sourced from Reuters.

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