

#### Highlights in the Foreign Exchange Market:

- Last month, the US and EU agreed not to impose new tariffs on each other after a meeting between Trump and European Commission President Jean Claude Juncker, a move that calmed tensions for some time. The European Union has now offered to scrap their 10% tariffs on passenger vehicles, a constant complaint by US President Trump. Trump has rejected the offer, claiming "it's not good enough", and that "their consumer habits are to buy their cars, not to buy our cars". President Trump had previously used the gap between EU's 10% tax and the US's own 2.5% tax to justify his threat to impose a tax of 25% on imported cars and parts. Trump then compared the EU to China, claiming that "The European Union is almost as bad as China, just smaller."
- The future of Britain in Europe remains unclear in the midst of an ongoing political struggle between Prime Minister Theresa May and her Eurosceptic Conservative MPs. The rival MPs are set to draw up a Brexit plan similar to that of Canada's free-trade agreement with the EU, whereas May's plan would keep Britain tied to the EU for goods and agriculture post-Brexit. Former foreign secretary Boris Johnson is among the loudest voices opposing May, claiming that her approach would lead to a "disaster", while EU chief negotiator Michel Barnier added that he "strongly opposed" May's Chequers plan. Investors will remain highly sensitive to Brexit headlines in the upcoming months as the March 2019 deadline approaches.
- The Bank of Japan made its first change to its government bond purchases after announcing small tweaks to its monthly buying plan. The BOJ reduced the frequency of its buying in one to three, three to five, and five to 10-year bonds to five times in September from six times in August while increasing the maximum amount of its buying in each operation in these maturities. Market participants saw this as a move of the beginning of gradual tapering of Japan's massive QE program.

GBP/USD  
1 Year Performance



US Dollar Index  
Year to Date Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1500	1.1555	<b>1.1604</b>	1.1655	1.1710
GBP	1.2755	1.2810	<b>1.2861</b>	1.2910	1.2965
JPY	110.15	110.60	<b>111.14</b>	111.65	112.20
CHF	0.9595	0.9645	<b>0.9698</b>	0.9755	0.9805

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1623	(3.25)	EUR/GBP	0.9028	1.55
GBP/USD	1.2870	(4.80)	GBP/JPY	142.90	(6.01)
USD/JPY	111.07	(1.38)	EUR/JPY	129.02	(4.59)
USD/CHF	0.9691	(0.51)	EUR/CHF	1.1258	(3.75)

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1628 level during Monday's trading session and currently trading at 1.1604 EUR/USD Support is at (1.1480-1.1500) any break below targets 1.1295 Short term outlook is neutral, however medium term outlook remains bearish.

USD/JPY: The pair moved down to the 110.89 level during Monday's trading session and currently trading at 111.14 USD/JPY Support is at (110.15-110.35) any break below targets 108.10 Short term and medium term outlook remain bearish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.75	2.06	2.25	2.56
USD	1.96	2.11	2.32	2.54	2.84
EUR	-0.42	-0.39	-0.35	-0.32	-0.22
GBP	0.71	0.72	0.80	0.89	1.04
CHF	-0.79	-0.78	-0.73	-0.65	-0.52
AUD	2.04	2.23	2.20	2.34	2.31

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-Sep-18	AUD	Retail Sales m/m	0.0%	0.3%	0.4%
3-Sep-18	JPY	BOJ Gov Kuroda Speaks			
3-Sep-18	GBP	Manufacturing PMI	52.8	53.9	54.0
4-Sep-18	AUD	Cash Rate		1.50%	1.50%
4-Sep-18	GBP	Inflation Report Hearings			
4-Sep-18	USD	ISM Manufacturing PMI		57.6	58.1
4-Sep-18	AUD	GDP q/q		0.8%	1.0%
5-Sep-18	GBP	Services PMI		53.9	53.5
5-Sep-18	CAD	Overnight rate		1.50%	1.50%
6-Sep-18	USD	ADP Non-Farm Employment Change		188K	219K

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.45	2.63	2.74	2.86	3.03
Germany	-0.68	-0.63	-0.28	0.33	1.01
United Kingdom	0.70	0.72	1.02	1.40	1.75
Japan	-0.12	-0.12	-0.08	0.10	0.85

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	76.05	(0.31)	Dow Jones	25,964.82	(0.09)
Brent	77.88	(0.03)	Nikkei 225	22,674.00	(0.15)
West Texas	69.79	(0.73)	S&P 500	2,901.52	0.01
Gold	1,200.77	0.03	KuwaitSE	5,096.27	(0.90)

#### Global Indices

All information has been sourced from Reuters.

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