

Highlights in the Foreign Exchange Market:

- The British pound and the Euro were in positive territory yesterday after sources said the British and German governments were willing to compromise on key demands for Brexit. Germany is ready to accept a less detailed agreement on the UK's future economic and trade ties with the EU and the UK is willing to postpone some decisions until after Brexit day. The report potentially eases the path for the two sides to strike a deal before the deadline.
- In the US, existing home sales fell for the fifth month in a row, dropping 1.5% in July from the prior year. Wells Fargo has announced 638 workers from its home mortgage division will be laid off; an indication that demand is drying up. The declining housing sentiment does not seem to parallel the overall economic status of the US. Consumer confidence is currently at an 18-year high, with strong numbers in both growth and unemployment. Interest rates are rising, while US consumers' debt service payments are at multi-decade lows. Even though, extremely high prices have hit mortgage lenders as this trend of slowing demand is set to expose big US banks which rely heavily on mortgage loans.
- Looking at emerging markets, currencies experienced a major sell-off on, worrying investors of a potential broader crisis. The South African rand fell 2.8% against the dollar following disappointing data, which spurred the sell-off in emerging market currencies. Mexico's peso dropped 1% yesterday amid concerns over the NAFTA agreement, while the Turkish lira was down 1.2%. The Emerging Markets index has fallen 20% since January - a percentage typically defining bear markets. The FTSE Emerging index, which includes 800 of the largest companies in the developing world, hit its lowest of the year at 498.42, after January's high of 625.70. The dollar index, which measures against its developed market counterparts, was up 0.5%.

EUR/USD
3 Month Performance



US Dollar Index
3 Month Performance

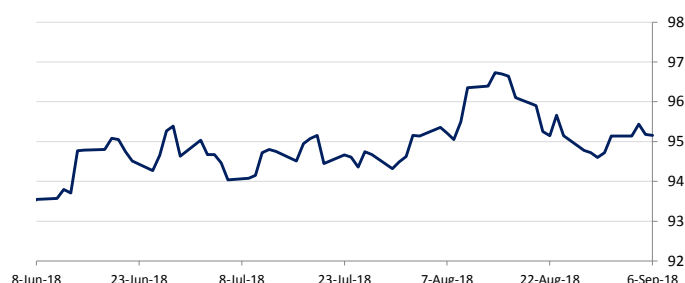


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1525	1.1575	1.1635	1.1675	1.1735
GBP	1.2805	1.2860	1.2909	1.2965	1.3025
JPY	110.35	110.85	111.40	111.90	112.45
CHF	0.9605	0.9655	0.9705	0.9755	0.9805

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1629	3.15	EUR/GBP	0.9012	1.37
GBP/USD	1.2902	(4.54)	GBP/JPY	143.90	(5.59)
USD/JPY	111.52	(1.20)	EUR/JPY	129.69	(4.31)
USD/CHF	0.9717	(0.37)	EUR/CHF	1.1303	(3.52)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1639 level during Wednesday's trading session and currently trading at 1.1635 EUR/USD Support is at (1.1500-1.1525) any break below targets 1.1295 Short term outlook is neutral, however medium term outlook remains bearish.

USD/JPY: The pair moved up to the 111.75 level during Wednesday's trading session and currently trading at 111.37 USD/JPY Support is at (110.35-110.55) any break below targets 109.80 Short term outlook is neutral, however medium term outlook remains bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.75	2.00	2.25	2.56
USD	1.95	2.12	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	1.90	2.15	2.15	2.27	2.35

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%	1.50%
4-Sep-18	GBP	Inflation Report Hearings			
4-Sep-18	USD	ISM Manufacturing PMI	61.3	57.6	58.1
4-Sep-18	AUD	GDP q/q	0.9%	0.8%	1.0%
5-Sep-18	GBP	Services PMI	54.3	53.9	53.5
5-Sep-18	CAD	Overnight rate	1.50%	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	2.46	2.65	2.77	2.90	3.08
Germany	-0.41	-0.59	-0.23	0.38	1.05
United Kingdom	0.70	0.72	1.04	1.46	1.81
Japan	-0.12	-0.12	-0.08	0.10	0.83

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	74.99	(0.60)	Dow Jones	25,974.99	0.09
Brent	76.75	(0.03)	Nikkei 225	22,482.37	(0.44)
West Texas	68.64	(0.15)	S&P 500	2,888.60	(0.26)
Gold	1,195.70	(0.05)	KuwaitSE	5,143.22	(0.90)

All information has been sourced from Reuters.

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