

Highlights in the Foreign Exchange Market:

- Global equity markets closed in the red zone on Monday, pressured by the ongoing fears of a trade war amid rising tensions between the US and key partners. The Nasdaq Composite lost 2.09% of its value and closed at 7,532.01. Today, the negative sentiment persisted in the Asian markets as the sell-off continues. Over the past month, the Hang Seng index has depreciated more than 5%.
- Looking into the German Business sentiment indicator, the index has declined six times in the past seven months. The data came in at 101.8 for the current month, down from the previous reading of 102.2. The current situation indicator slid to a 1-year low of 105.1 in June from a revised 106.1 in May. However, the positive news was that the future expectations component was revised to 98.6 after having declined in the five previous months. The above data is somewhat at odds with the PMIs released last week, which showed a better reading for the service PMI. Overall, both indicators point to reasonable growth rates ahead for the German economy, although the growth momentum has also clearly passed its peak. The prime risk to the economy continues to be a further escalation of trade tensions and the threat by the US government to impose 20% tariffs on auto imports from Europe was not incorporated in the ifo readings published yesterday.
- On the FX front, the Dollar continues the bearish trend for the second day. The single currency reached a 1-week high of 1.1720 due to a sell-off in the US dollar. Additionally, demand for safe-haven assets such as the yen and the Swiss franc took both currencies to 2-week highs against the US dollar as investors sought shelters from the global trade tensions.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1615	1.1660	1.1713	1.1740	1.1770
GBP	1.3180	1.3220	1.3288	1.3315	1.3360
JPY	108.90	109.30	109.45	110.00	110.90
CHF	0.9800	0.9825	0.9862	0.9920	0.9990

Brief Technical Commentary

Euro is in a consolidation mode and currently trading above 1.1700. Short term is neutral and upside should be limited to 1.1770. However, medium term outlook remains bearish. View is neutral on Euro if it keeps trading within 1.1660-1.1770. On the upside, a break above 1.1770 will turn the outlook into bullish.

USDJPY current resistance is at around 110.00 level. Short term outlook is neutral. However, general strength in USD across the board is observed for the long run. Trading above 110.00 level would make the outlook bullish. On the downside, a break below 109.30 would turn the outlook to slightly negative.

Economic Events

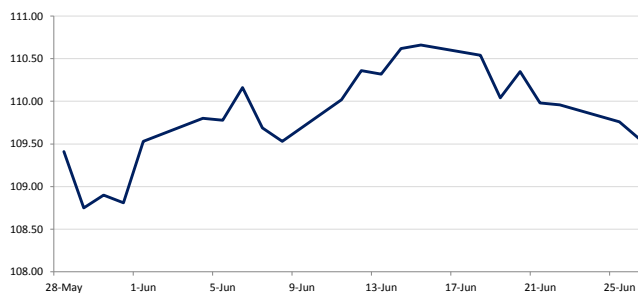
Date	Country	Event	Actual	Forecast	Previous
25-Jun-18	EUR	German Ifo Business Climate	101.8	101.9	102.2
26-Jun-18	USD	CB Consumer Confidence	-	127.6	128
26-Jun-18	GBP	MPC McCafferty Speaks	-	-	-
26-Jun-18	GBP	MPC Member Haskel Speaks	-	-	-
27-Jun-18	USD	Crude Oil Inventories	-	-	-5.9M
27-Jun-18	USD	Core Durable Goods Orders	-	0.5%	0.9%
27-Jun-18	GBP	BOE Financial Stability Report	-	-	-
27-Jun-18	GBP	BOE Gov Carney Speaks	-	-	-
27-Jun-18	EUR	M3 Money Supply y/y	-	3.8%	3.9%
27-Jun-18	CHF	Credit Suisse Economic Exp	-	-	28

All information has been sourced from Reuters

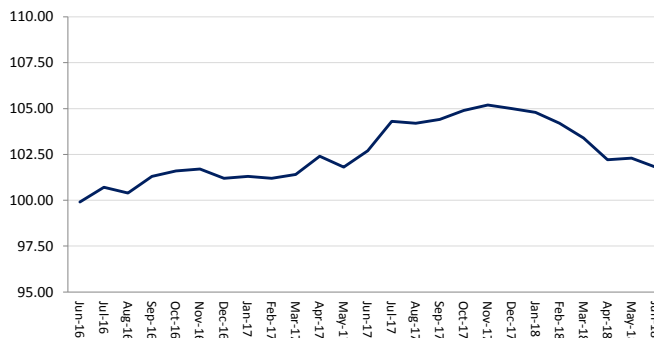
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USDJPY
1-Month Performance



German Business Sentiment
2-Year Performance



CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1702	(2.39)	EUR/GBP	0.8811	(0.78)
GBP/USD	1.3274	(1.69)	GBP/JPY	145.74	(4.28)
USD/JPY	109.76	(2.72)	EUR/JPY	128.46	(5.06)
USD/CHF	0.9868	1.26	EUR/CHF	1.1549	(1.16)

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.19	1.75	2.00	2.25	2.50
USD	1.99	2.10	2.34	2.50	2.77
EUR	-0.43	-0.40	-0.37	-0.32	-0.23
GBP	0.48	0.50	0.66	0.78	0.96
CHF	-0.80	-0.78	-0.73	-0.65	-0.52
AUD	1.45	2.15	2.17	2.25	2.20

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.31	2.54	2.76	2.89	3.04
Germany	-0.74	-0.71	-0.30	0.33	1.10
United Kingdom	0.68	0.73	1.04	1.29	1.77
Japan	-0.14	-0.14	-0.12	0.03	0.71

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	72.01	1.05	Dow Jones	24,252.80	(328.09)
Brent	72.56	(0.03)	Nikkei 225	22,343.79	5.64
West Texas	68.76	(3.24)	S&P 500	2,717.07	(37.81)
Gold	1,263.56	(0.11)	KuwaitSE	4,867.07	42.99

Global Indices