

Highlights in the Foreign Exchange Market:

- The US temporary tariff exemptions for the EU, Canada and Mexico expired at the end of last week prompting the imposition of a 25% steel and 10% aluminum tax. This elevates the stake considerably in global trade tensions and will be unquestionably followed by measures being publicized by these three important trading partners of the US. Canada has already confirmed that USD 12.8bn worth of tariffs on US steel, aluminum and other imports will take effect on July 1st. Moreover, Mexico has promised action and EU Commission President vowed imminent response.
- The American economy added 223K jobs last month and the unemployment rate edged to an 18-year low to 3.8%. The data indicates that the US labor market continues to tighten further and may cause inflation to increase even more as labor supply diminishes. As for wages, the average pay rose 0.3% after edging up by 0.1% in April. That lifted the annual increase in average hourly earnings to 2.7% from 2.6% in April. All of the above three indicators beat forecasts and this gives room for the FOMC to hike a further two times this year.
- Sterling strengthened against the dollar and the euro on Friday as data showed UK manufacturing growth picking up speed in May. The pound languished near a six-month low of \$1.3205 for much of the week, curtailed by weakness in the UK economy and influenced by non-UK factors including new US trade tariffs and elections in Italy. The Markit/CIPS UK Manufacturing Purchasing Managers' Index rose to 54.4, above the median forecast of 53.5.

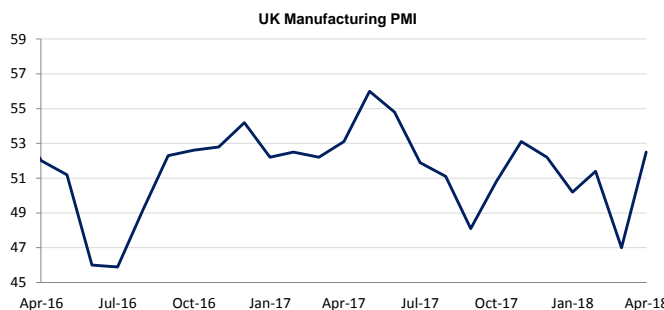
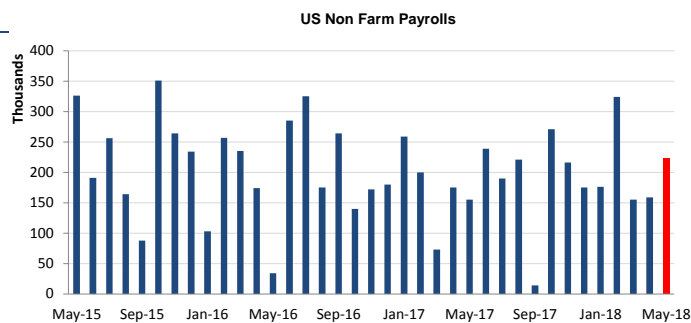


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1470	1.1570	1.1660	1.1760	1.1860
GBP	1.3145	1.3255	1.3354	1.3450	1.3555
JPY	107.50	108.50	109.53	110.55	111.50
CHF	0.9785	0.9875	0.9980	1.0075	1.0185

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1616 level during Friday's trading session and closed the week at 1.1660. EUR Resistance is at (1.1830-1.1860) any break above targets 1.1940 and Support is at (1.1470-1.1510) any break below targets 1.1390. The pair is currently Bearish.

USD/JPY: The pair moved up to the 109.73 level during Friday's trading session and closed the week at 109.53 USD/JPY Resistance is at (110.90-111.50) any break above targets 112.45. The pair is currently Bullish.

Economic Events

Date	Country	Event	Actual	Forecast	Previous
4-Jun-18	GBP	Construction PMI		52.0	52.5
5-Jun-18	CNY	Caixin Services PMI		52.9	52.9
5-Jun-18	GBP	Services PMI		52.9	52.8
5-Jun-18	EUR	ECB President Draghi Speaks			
5-Jun-18	USD	ISD Non-Manufacturing PMI		57.9	56.8
6-Jun-18	AUD	GDP q/q		0.8%	0.4%
7-Jun-18	GBP	Halifax HPI m/m		1.1%	-3.1%
7-Jun-18	AUD	Trade Balance		1.03B	1.53B
8-Jun-18	CNY	Trade Balance		192B	183B
9-Jun-18	CNY	CPI y/y		1.9%	1.8%

All information has been sourced from Reuters

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Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1660	(2.80)	EUR/GBP	0.8738	(1.62)
GBP/USD	1.3347	(1.17)	GBP/JPY	146.16	(3.91)
USD/JPY	109.53	(2.79)	EUR/JPY	127.69	(5.54)
USD/CHF	0.9880	1.41	EUR/CHF	1.1515	(1.49)

Major Crosses

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.75	2.00	2.19	2.50
USD	1.75	2.00	2.32	2.47	2.72
EUR	-0.42	-0.41	-0.35	-0.31	-0.23
GBP	0.49	0.50	0.62	0.73	0.90
CHF	-0.80	-0.79	-0.73	-0.65	-0.53
AUD	1.59	1.98	2.07	2.16	2.20

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.25	2.47	2.74	2.90	3.05
Germany	-0.73	-0.66	-0.23	0.38	1.08
United Kingdom	0.52	0.62	0.98	1.28	1.75
Japan	-0.15	-0.15	-0.12	0.04	0.71

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	74.34	(0.50)	Dow Jones	24,635.21	219.37
Brent	74.48	(0.03)	Nikkei 225	22,171.35	(30.47)
West Texas	65.81	0.00	S&P 500	2,734.62	29.35
Gold	1,292.74	(0.40)	KuwaitSE	4,738.75	3.03

Global Indices