

Highlights in the Foreign Exchange Market:

- The US economy enjoyed impressive labor data last week, adding 201,000 jobs in August beating expectations while the unemployment rate remained steady at 3.9%. Average hourly wages rose 10 cents or 0.4% over last month taking the year-on-year increase to 2.9%. The increase in wages marks the highest growth since April 2009. Treasury yields jumped after the numbers were released and stock futures fell on expectations the data justified more rate hikes from the Federal Reserve. While market consensus has widely agreed upon a hike in September at 96%, the latest figures make the case for a fourth hike in December more likely. The benchmark 10-year yield rose TO 2.930%, up from 2.877% on Thursday.
- The British pound had some volatile movement last week due to continuing uncertainties with Brexit. The pound started off with a steep sell-off but recovered quickly mid-week after a report said that Germany and UK made concessions on the Brexit negotiations. However, a German government spokesman cleared the air and said the position on Brexit is unchanged. The pound ended the weekly session at 1.2920.
- In Japan, the yen had been slowly appreciating against the US dollar the past few weeks as markets turned to its safe haven status. The move might be fueled further if reports that US President Trump is targeting Japan next for unfair trade practices turn out to be true. James Freeman from the Wall Street Journal, said he took a personal phone call from the President and has reported that Trump referred to the good relationship with Japan, then added "but of course that will end as soon as I tell them how much they have to pay." With the Brexit negotiations, global trade war, and ongoing emerging markets crisis dilemma, Trump turning his attention to Japan would only unnerve market participants further and potentially increase risk aversion.

GBP/USD
1 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 | 1.1355 | 1.1450 | 1.1551 | 1.1655 | 1.1760 |
| GBP | 1.2735 | 1.2825 | 1.2924 | 1.3035 | 1.3125 |
| JPY | 109.35 | 110.05 | 111.05 | 112.15 | 113.05 |
| CHF | 0.9485 | 0.9580 | 0.9691 | 0.9790 | 0.9895 |

Major Currencies

| CCY | Closing Rate | YTD % | CCY | Closing Rate | YTD % |
|---------|--------------|--------|---------|--------------|--------|
| EUR/USD | 1.1551 | (3.71) | EUR/GBP | 0.8943 | 0.68 |
| GBP/USD | 1.2921 | (4.35) | GBP/JPY | 143.48 | (5.67) |
| USD/JPY | 111.05 | (1.44) | EUR/JPY | 128.30 | (5.09) |
| USD/CHF | 0.9691 | (0.53) | EUR/CHF | 1.1196 | (4.22) |

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1649 level during Friday's trading session and closed for the week at 1.1551 EUR/USD Support is at (1.1355-1.1395) 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 110.37 level during Friday's trading session and closed for the week at 111.05 USD/JPY Support is at (109.35-109.55) any break below targets 108.10 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 | 2.06 | 2.25 | 2.56 |
| USD | 1.96 | 2.13 | 2.33 | 2.54 | 2.85 |
| EUR | -0.42 | -0.39 | -0.36 | -0.32 | -0.22 |
| GBP | 0.71 | 0.73 | 0.80 | 0.90 | 1.04 |
| CHF | -0.79 | -0.78 | -0.73 | -0.65 | -0.52 |
| AUD | 1.77 | 2.12 | 2.17 | 2.25 | 2.35 |

Economic Events

| Date | Country | Event | Actual | Forecast | Previous |
|-----------|---------|------------------------------|--------|----------|----------|
| 10-Sep-18 | GBP | GDP m/m | | 0.2% | 0.1% |
| 10-Sep-18 | GBP | Manufacturing Production m/m | | 0.2% | 0.4% |
| 11-Sep-18 | GBP | Average Earnings Index 3m/y | | 2.5% | 2.4% |
| 12-Sep-18 | USD | PPI m/m | | 0.2% | 0.0% |
| 12-Sep-18 | USD | Crude Oil Inventories | | | -4.3M |
| 12-Sep-18 | AUD | Employment Change | | 18.4K | -3.9K |
| 13-Sep-18 | GBP | MPC Official Bank Rate Votes | | 0-0-9 | 9-0-0 |
| 13-Sep-18 | GBP | Official Bank Rate | | 0.75% | 0.75% |
| 13-Sep-18 | EUR | Main Refinancing Rate | | 0.00% | 0.00% |
| 13-Sep-18 | USD | Core CPI m/m | | 0.2% | 0.2% |

Government Yields

| Country | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|----------------|--------|--------|--------|---------|---------|
| United States | 2.50 | 2.70 | 2.82 | 2.94 | 3.10 |
| Germany | -0.64 | -0.57 | -0.23 | 0.39 | 1.07 |
| United Kingdom | 0.73 | 0.74 | 1.04 | 1.45 | 1.80 |
| Japan | -0.12 | -0.12 | -0.08 | 0.10 | 0.83 |

Commodities

| Index | Last Price | % Change | Index | Last Price | % Change |
|------------|------------|----------|------------|------------|----------|
| Kuwait Oil | 74.71 | 0.24 | Dow Jones | 25,916.54 | (0.31) |
| Brent | 75.62 | (0.03) | Nikkei 225 | 22,307.06 | (0.80) |
| West Texas | 67.68 | (0.15) | S&P 500 | 2,871.68 | (0.22) |
| Gold | 1,195.36 | (0.37) | KuwaitSE | 5,149.42 | (0.90) |

Global Indices

All information has been sourced from Reuters.

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For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 (TELEX : 46811 - FAX +965 2241 9720).