

Highlights in the Foreign Exchange Market:

- President Trump announced his withdrawal from the 2015 landmark international nuclear deal that served to curb Iran's nuclear program and prevent a nuclear arms race in the region. US leaders have said they will not revisit, defying requests from close allies who had called for the agreement to be preserved. The president added that would also re-impose the financial sanctions on Iran. Trump went on to say "the fact is this was a horrible one-sided deal that should have never ever been made". "We cannot prevent an Iranian nuclear bomb under the decaying and rotten structure of the current agreement. The Iran deal is defective at its core."
- Even though oil markets widely expected the decision, Brent Crude prices reached their highest levels in 3.5 years. The same effect was also observed on equities of energy companies as Iran's future oil supply was thrown into doubt as a result of the sanctions. This carries significance especially because Iran is currently the 4th largest oil producer in the world. Given the same level of demand, oil prices may continue to rise as a direct effect of a drop in supply.
- Looking at the equity sector, US stocks markets ended Tuesday's session flat in the wake of Donald Trump's announcement to withdraw the US from the Iran nuclear deal. In Asia, equity indices responded differently to the news and are currently trading in a mixed manner. The 10-year Treasury yield was up 1.5 bps to 2.9629%, having been 2.8 bps higher before the decision, while the 2-year yield rose 1.2 bps to 2.5094%, from a gain of 2.1 bps beforehand. On the currency front, the US dollar index received additional support after Trump's decision reached the market. The index was elevated by 0.4% to 93.074, having been 0.3% higher before the announcement. The single currency remains under pressure today, from weak economic indicators and broadening interest rate differentials with the US, was also hit by political developments in Italy.

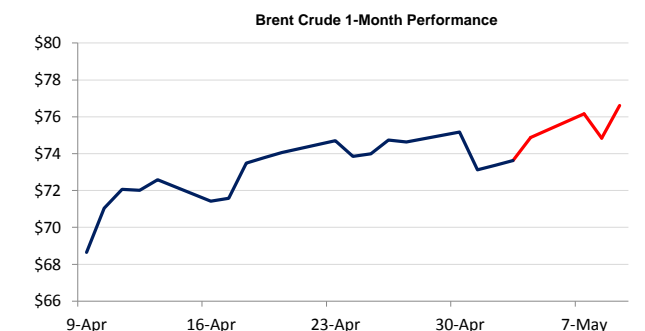
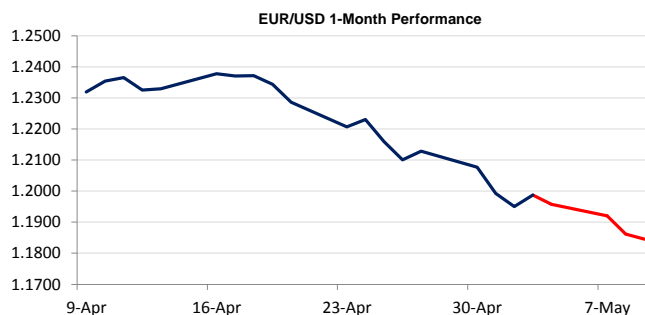


Chart Points and Other Technical Input

| CCY | 2nd Support | 1st Support | Spot | 1st Resistance | 2nd Resistance |
|-----|-------------|-------------|--------|----------------|----------------|
| EUR | 1.1750 | 1.1815 | 1.1850 | 1.1885 | 1.1930 |
| GBP | 1.3415 | 1.3480 | 1.3530 | 1.3560 | 1.3610 |
| JPY | 108.60 | 108.90 | 109.50 | 109.75 | 110.35 |
| CHF | 0.9950 | 0.9990 | 1.0033 | 1.0060 | 1.0100 |

Major Currencies

| CCY | Closing Rate | YTD % | CCY | Closing Rate | YTD % |
|---------|--------------|--------|---------|--------------|--------|
| EUR/USD | 1.1862 | (1.29) | EUR/GBP | 0.8757 | (1.45) |
| GBP/USD | 1.3544 | 0.09 | GBP/JPY | 147.82 | (2.56) |
| USD/JPY | 109.11 | (2.74) | EUR/JPY | 129.46 | (4.00) |
| USD/CHF | 1.0014 | 2.96 | EUR/CHF | 1.1883 | 1.67 |

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1836 level during Tuesday's trading session and currently trading at 1.1850. EUR Resistance is at (1.1885-1.1930) any break above targets 1.1980 and Support is at (1.1750-1.1815) any break below targets 1.1710. The pair is currently Bearish.

USD/JPY: The pair moved up to the 109.63 this morning and currently trading at 109.50. USD/JPY Resistance is at (109.75-110.35) any break above targets 111.20. The pair is currently Bullish.

Local & Global Rates

| CCY | 1-Week | 1-Month | 3-Month | 6-Month | 1-Year |
|-----|--------|---------|---------|---------|--------|
| KWD | 1.25 | 1.75 | 2.00 | 2.19 | 2.44 |
| USD | 1.76 | 1.93 | 2.35 | 2.52 | 2.77 |
| EUR | -0.42 | -0.40 | -0.35 | -0.31 | -0.24 |
| GBP | 0.49 | 0.51 | 0.67 | 0.78 | 0.95 |
| CHF | -0.80 | -0.78 | -0.72 | -0.65 | -0.52 |
| AUD | 1.37 | 1.84 | 2.01 | 2.12 | 2.24 |

Economic Events

| Date | Country | Event | Actual | Forecast | Previous |
|-----------|---------|------------------------------|--------|----------|----------|
| 8-May-18 | USD | Fed Chair Powell Speaks | - | - | - |
| 8-May-18 | GBP | Halifax HPI m/m | -3.1% | -0.3% | 1.5% |
| 9-May-18 | USD | PPI m/m | - | 0.2% | 0.3% |
| 9-May-18 | USD | Core PPI m/m | - | 0.2% | 0.3% |
| 10-May-18 | CNY | CPI y/y | - | 1.9% | 2.1% |
| 10-May-18 | CNY | PPI y/y | - | 3.4% | 3.1% |
| 10-May-18 | GBP | Manufacturing Production m/m | - | -0.2% | -0.2% |
| 10-May-18 | GBP | Official Bank Rate | - | 0.50% | 0.50% |
| 10-May-18 | USD | CPI m/m | - | 0.3% | -0.1% |
| 10-May-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 | 2.23 | 2.52 | 2.83 | 2.99 | 3.15 |
| Germany | -0.69 | -0.58 | -0.06 | 0.56 | 1.25 |
| United Kingdom | 0.67 | 0.80 | 1.14 | 1.44 | 1.86 |
| Japan | -0.14 | -0.14 | -0.11 | 0.04 | 0.73 |

Commodities

| Index | Last Price | % Change | Index | Last Price | Change |
|------------|------------|----------|------------|------------|---------|
| Kuwait Oil | 72.17 | 1.49 | Dow Jones | 24,360.21 | 2.89 |
| Brent | 75.15 | (0.03) | Nikkei 225 | 22,422.45 | (86.24) |
| West Texas | 68.78 | (0.15) | S&P 500 | 2,671.92 | (0.71) |
| Gold | 1,309.00 | (0.39) | KuwaitSE | 4,805.20 | 6.75 |

All information has been sourced from Reuters

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