

Highlights in the Foreign Exchange Market:

- Towards the end of last week, Saudi Arabia's raised its two key interest rates by 0.25 percentage points on Thursday. While the hike itself was not a surprise, the timing was. Usually, Saudi Arabia waits until the Federal Reserve announces its hike. This time however, the Saudi central bank acted a week before the Fed meeting, where a hike of 25 basis points is expected. The hike is believed to be an effort to prevent Saudi money rates from falling far below U.S. rates, which could trigger capital outflows from the Kingdom. Meanwhile, Oman's central bank also raised its rates on capital deposits by 0.5%, double that of Saudi Arabia. The central bank announced that the rate, now at 1.5%, will be effective retroactively to January 1st of the current year.
- As markets await the Fed's announcement regarding interest rates this week, the dollar index rose to a 3-week high against a basket of currencies on Friday. Expectations of a hike were reinforced after the release of solid US economic data. U.S. industrial production surged in February, boosted by strong increases in output at factories and mines, while a consumer sentiment survey by the University of Michigan showed a rise in the overall index for March. In the meantime, market participants believe that a 25 basis point hike is imminent, the first of 3-4 expected in 2018.
- In Europe, February's consumer inflation figure declined to an annual rate of 1.1% from 1.3% seen in the previous month. In the same month last year, the rate was 2%. The fall back in the headline data is attributed to deflation in unprocessed food prices and declining energy prices, data from the European Union's statistics office Eurostat showed. The core figure remained unchanged at 1%. On the wages front, annual hourly labor costs growth slowed from 1.6% in Q3 to 1.5% in Q4. Overall, the central banks goal of a widespread rise in underlying inflation is nowhere to be seen and although the Bank may end its bond buying program at the end of 2018, increasing interest rates in early 2019 seems less likely.

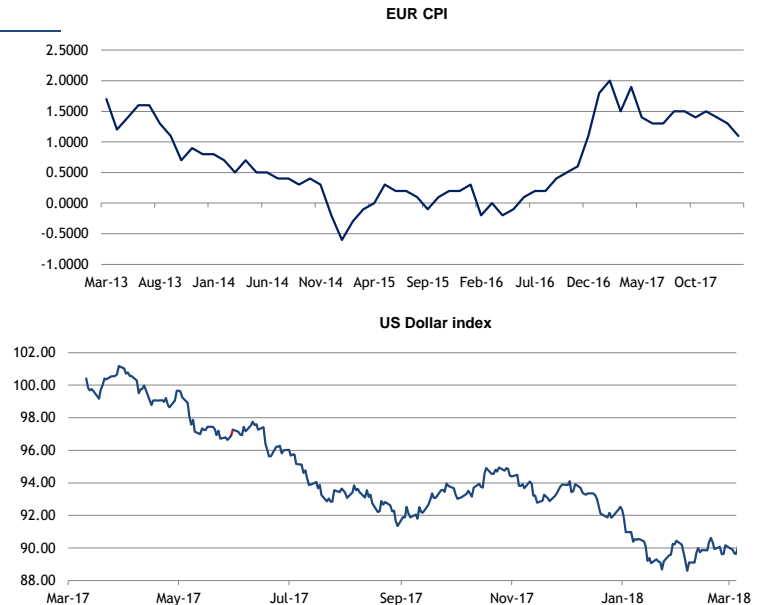


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.2095	1.2185	1.2287	1.2395	1.2505
GBP	1.3715	1.3835	1.3939	1.4040	1.4145
JPY	104.20	105.20	106.00	107.00	107.95
CHF	0.9315	0.9420	0.9520	0.9610	0.9715

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.2287	2.43	EUR/GBP	0.8815	(0.75)
GBP/USD	1.3939	3.23	GBP/JPY	147.77	(2.85)
USD/JPY	106.00	(5.92)	EUR/JPY	130.24	(3.65)
USD/CHF	0.9520	(2.29)	EUR/CHF	1.1699	0.09

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.2259 level during Friday's trading session and closed the week at 1.2287. EUR Resistance is at (1.2505-1.2555) any break above targets 1.2640 and Support is at (1.2095-1.2105) any break below targets 1.2020. The pair is currently Neutral.

USD/JPY: The pair moved down to the 105.59 level during Friday's trading session and closed the week at 106.00. USD/JPY Resistance is at (107.95-108.15) any break above targets 109.35 and Support is at (104.20-104.60) any break below targets 103.15. The pair is currently Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.25	1.63	1.88	2.06	2.38
USD	1.63	1.82	2.20	2.36	2.61
EUR	-0.42	-0.41	-0.38	-0.33	-0.25
GBP	0.49	0.50	0.61	0.71	0.92
CHF	-0.80	-0.81	-0.74	-0.66	-0.53
AUD	1.60	2.23	2.10	2.20	2.28

Economic Events

Date	Country	Event	Actual	Forecast	Previous
18-Mar-18	ALL	G20 Meetings			
20-Mar-18	GBP	CPI y/y		2.8%	3.0%
21-Mar-18	USD	FOMC Statement & Rate			
21-Mar-18	GBP	Average Earnings Index 3m/y		2.6%	2.5%
21-Mar-18	USD	Crude Oil Inventories			5.0M
22-Mar-18	AUD	Unemployment Rate		5.5%	5.5%
22-Mar-18	GBP	Retail Sales m/m		0.4%	0.1%
22-Mar-18	GBP	BOE Statement & Rate			
23-Mar-18	CAD	CPI m/m		0.4%	0.7%
23-Mar-18	USD	Core Durable Goods Orders m/m		0.5%	-0.3%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.05	2.29	2.64	2.84	3.08
Germany	-0.73	-0.61	-0.04	0.57	1.21
United Kingdom	0.71	0.80	1.13	1.43	1.79
Japan	-0.15	-0.15	-0.12	0.03	0.75

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	62.34	0.86	Dow Jones	24,946.51	72.85
Brent	64.32	(0.03)	Nikkei 225	21,676.51	(127.44)
West Texas	62.28	(0.03)	S&P 500	2,752.01	4.68
Gold	1,315.00	(0.22)	KuwaitSE	6,746.97	(13.26)

Global Indices

All information has been sourced from Reuters

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