

Highlights in the Foreign Exchange Market:

- The Turkish lira has experienced a downward spiral since the beginning of 2018, facing a significant drop on Friday as 14% of the currency's value was wiped out. US President Trump announced via twitter that he has "authorized a doubling of tariffs on steel and aluminum with respect to turkey as their currency, the Turkish lira, slides rapidly against our very strong Dollar!" Tensions between the US and Turkey show no signs of defusing, worrying global markets, especially in Europe. The Central Bank of the Republic of Turkey has attempted to intervene with little success throughout the year, while President Erdogan has been critical of the central bank's actions.
- The Euro sunk last week to a 13 month low against the dollar, currently trading at around the 1.1378 level. Most of the euro's dip was attributed to a stronger US dollar, given that there were no economic indicators released. Another factor causing the euro's slide was the exposure of European banks to the Turkish lira. Turkish entities have a large exposure of USD and euro denominated debts, therefore it will be more expensive for Turkish organizations to pay those debts.
- The effect of import tariffs on inflation for China appears minor for now. Although, trade war shows no signs of abating as both parties are ready to strike back. China publicized further retaliatory tariffs taxed at 25% on \$16 billion worth of US imports. Tariffs are projected to elevate the cost of production in some industries and possibly weigh on corporate earnings. Import prices may rise as the Renminbi has already depreciated by 8% since January and raw material input costs are increasing in the energy sector due to higher oil prices.

USD/TRY
Year to Date Performance



EURUSD
Year to Date Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1275	1.1325	1.1374	1.1425	1.1475
GBP	1.2650	1.2700	1.2754	1.2800	1.2850
JPY	109.25	109.75	110.31	110.75	111.25
CHF	0.9825	0.9875	0.9925	0.9975	1.0025

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1410	(4.95)	EUR/GBP	0.8932	0.59
GBP/USD	1.2767	(5.58)	GBP/JPY	141.61	(7.45)
USD/JPY	110.92	(2.09)	EUR/JPY	126.54	(6.93)
USD/CHF	0.9952	2.05	EUR/CHF	1.1357	(2.99)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1383 level during Friday's trading session and currently trading at 1.1374 EUR/USD Support is at (1.1255-1.1275) any break below targets 1.1190 Short term and medium term outlook are bearish.

USD/JPY: The pair moved down to the 110.48 level during Friday's trading session and currently trading at 110.31 USD/JPY Support is at (108.90-109.20) any break below targets 108.25 Short term and medium term outlook are bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.75	2.00	2.25	2.56
USD	1.95	2.07	2.32	2.51	2.82
EUR	-0.43	-0.40	-0.36	-0.31	-0.23
GBP	0.71	0.72	0.81	0.90	1.04
CHF	-0.79	-0.78	-0.72	-0.65	-0.52
AUD	1.86	1.88	2.08	2.25	2.48

Economic Events

Date	Country	Event	Actual	Forecast	Previous
14-Aug-18	GBP	Average Earnings Index 3m/y		2.5%	2.5%
14-Aug-18	AUD	Wage Price Index q/q		0.6%	0.5%
15-Aug-18	GBP	CPI y/y		2.5%	2.4%
15-Aug-18	USD	Core Retail Sales m/m		0.4%	0.4%
15-Aug-18	USD	Retail Sales m/m		0.2%	0.5%
15-Aug-18	USD	Crude Oil Inventories			-1.4M
15-Aug-18	AUD	Unemployment Rate		5.4%	5.4%
16-Aug-18	GBP	Retail Sales m/m		0.2%	-0.5%
16-Aug-18	USD	Building Permits		1.31M	1.29M
17-Aug-18	CAD	CPI m/m			0.1%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.38	2.60	2.74	2.87	3.04
Germany	-0.70	-0.66	-0.30	0.33	0.98
United Kingdom	0.62	0.69	0.98	1.24	1.71
Japan	-0.13	-0.12	-0.09	0.09	0.83

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	71.70	0.65	Dow Jones	25,313.14	(0.77)
Brent	70.19	(0.03)	Nikkei 225	21,926.78	(1.67)
West Texas	67.56	(0.15)	S&P 500	2,833.28	(0.71)
Gold	1,208.59	(0.19)	KuwaitSE	5,243.44	(0.90)

All information has been sourced from Reuters.

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