

Highlights in the Foreign Exchange Market:

- The US-China trade war experienced a sharp escalation this week as the Trump administration officially ordered 10% tariffs on \$200 billion worth of Chinese goods in an announcement on Monday. President Trump has warned that if a resolution cannot be made by 2019, the recent 10% tariffs would jump to 25%. Today, China has announced its retaliation as previously threatened on \$60 billion of US goods. Ranging on items from meat to wheat to textiles, the said tariffs will take effect on September 24. The world's two largest economies efforts to mediate have come to no resolve, with the latest tariffs dampening the prospect of an end to the trade war any time soon. The US dollar index was up 0.2% at 94.65 while the euro and sterling retreated slightly.
- As the deadline of September 30 for a NAFTA agreement approaches, talks between Canadian Foreign Minister Chrystia Freeland and US Trade Representative Robert Lighthizer are due on Wednesday. The latest talks will aim at keeping Canada in the trilateral deal, after the US and Mexico came to an agreement last month on how to update the trade agreement. President Trump has threatened to proceed with the deal excluding Canada, which is the top buyer of US exports, adding a threat of auto tariffs if a deal can't be reached. The Canadian dollar climbed following the news of a set meeting, trading 0.4% higher at 1.2991 per US dollar.
- Global markets seem to have shrugged off the escalating trade war between the US and China with a strong performance in the technology and energy sector, recovering Monday's losses. The S&P 500 ended 0.5% higher at 2,904.3, resembling last month's record high of 2,914.04 and recovering from its biggest one-day drop on Monday. The Dow Jones Industrial Average rose 0.7% while the Nasdaq Composite gained 0.8% due to its tech-heavy dependence.

S&P 500
2 Month Performance



US Dollar Index
2 Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1575	1.1620	1.1673	1.1725	1.1785
GBP	1.3055	1.3105	1.3150	1.3215	1.3265
JPY	111.25	111.75	112.31	112.70	113.30
CHF	0.9535	0.9585	0.9637	0.9695	0.9745

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1665	(2.60)	EUR/GBP	0.8875	(0.07)
GBP/USD	1.3147	(2.60)	GBP/JPY	147.72	(2.79)
USD/JPY	112.35	(0.29)	EUR/JPY	131.08	(2.88)
USD/CHF	0.9644	(1.04)	EUR/CHF	1.1252	(3.58)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1724 level during Tuesday's trading session and currently trading at 1.1673 EUR/USD Support is at (1.1555-1.1575) any break below targets 1.1475 Short term outlook is neutral, however medium term outlook remains bearish.

USD/JPY: The pair moved up to the 112.38 level during Tuesday's trading session and currently trading at 112.31 USD/JPY Support is at (110.95-111.25) any break below targets 109.75 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	1.06	1.69	2.00	2.25	2.50
USD	1.97	2.17	2.34	2.57	2.88
EUR	-0.43	-0.41	-0.35	-0.31	-0.22
GBP	0.72	0.73	0.80	0.89	1.05
CHF	-0.80	-0.78	-0.73	-0.65	-0.52
AUD	2.14	2.32	2.24	2.39	2.37

Economic Events

Date	Country	Event	Actual	Forecast	Previous
17-Sep-18	AUD	Monetary Policy Meeting Minutes			
18-Sep-18	JPY	Monetary Policy Statement			
19-Sep-18	JPY	BOJ Press Conference			
19-Sep-18	GBP	CPI y/y		2.4%	2.5%
19-Sep-18	EUR	ECB President Draghi Speaks			
19-Sep-18	USD	Crude Oil Inventories			-5.3M
19-Sep-18	NZD	GDP q/q		0.8%	0.5%
20-Sep-18	CHF	SNB Monetary Policy Assessment			
20-Sep-18	GBP	Retail sales m/m		-0.1%	0.7%
21-Sep-18	CAD	CPI m/m			0.5%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.56	2.80	2.94	3.05	3.19
Germany	-0.63	-0.55	-0.14	0.48	1.13
United Kingdom	0.74	0.81	1.14	1.57	1.91
Japan	-0.13	-0.11	-0.07	0.11	0.84

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	77.08	0.17	Dow Jones	26,246.96	0.71
Brent	79.19	(0.03)	Nikkei 225	23,708.06	1.23
West Texas	69.82	(0.14)	S&P 500	2,904.31	0.54
Gold	1,203.45	0.49	KuwaitSE	5,124.93	(0.90)

All information has been sourced from Reuters.

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