

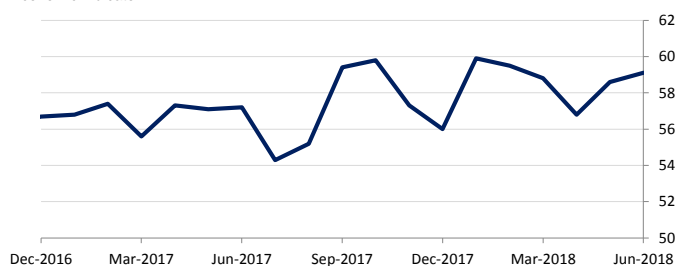
#### Highlights in the Foreign Exchange Market:

- After agreeing to raise the benchmark interest rate in the United States, the FOMC minutes suggested that policymakers might soon signal that the Fed's rate-hiking cycle was advanced enough that policy was no longer boosting or constraining the economy. Fed policy-makers also noted "that uncertainty and risks associated with trade policy had intensified and were concerned that such uncertainty and risks eventually could have negative effects" during their last meeting. While chances of a 3rd hike in September reached 77%, the probability of a much-debated 4th hike in 2018 was little changed at 50%.
- On the data side, after four consecutive periods of slowdown, the American services sector finally picked up in June. The Institute for Supply Management's non-manufacturing PMI, a leading indicator of economic health, came in at 59.1. The level was above a market forecast of 58.3. The figure could indicate that the US economy experienced a healthy second quarter after a mediocre start to the year. This is especially true since the services sector makes up about 80% of the United States' GDP.
- On the commodities complex, oil was lower on Friday as a Canadian supply outage supported US crude prices, while an increase in production from OPEC's biggest exporter Saudi Arabia pushed Brent lower. The supply shortage from Canada followed official data on Thursday showing US inventories for oil falling to a 3 year low. Saudi Arabia confirmed last week that it had successfully increased production by 458,000bpd last month reversing some of the cuts OPEC put in place. US crude gained 86 cents to \$73.80 while Brent crude slipped 28 cents to \$77.11 a barrel.

**Brent Crude**  
YTD Performance



**US Non-Manufacturing Composite**  
Economic Indicator



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1545	1.1650	<b>1.1745</b>	1.1855	1.1950
GBP	1.3070	1.3180	<b>1.3283</b>	1.3375	1.3475
JPY	108.40	109.35	<b>110.45</b>	111.45	112.55
CHF	0.9700	0.9795	<b>0.9897</b>	0.9995	1.0090

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1691	-2.16	EUR/GBP	0.8840	0.43
GBP/USD	1.3222	-1.70	GBP/JPY	146.31	3.74
USD/JPY	110.64	2.01	EUR/JPY	129.32	4.25
USD/CHF	0.9931	-1.52	EUR/CHF	1.16	0.66

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1767 level during Friday's trading session and closed for the week at 1.1745 EUR/USD Support is at (1.1505-1.1545) any break below targets 1.1315. Short term outlook is slightly bearish and any move up should be limited to 1.1855. However, medium term outlook remains bearish.

USD/JPY: The pair moved down to the 110.35 level during Friday's trading session and closed for the week at 110.45 USD/JPY Resistance is at (112.05-112.55) any break above targets 113.40. Short term outlook is slightly bullish and any move down should be limited to 109.35 However, medium term outlook remains bullish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.75	2.00	2.25	2.50
USD	1.97	2.09	2.33	2.51	2.77
EUR	-0.42	-0.40	-0.36	-0.31	-0.24
GBP	0.48	0.53	0.71	0.83	1.00
CHF	-0.79	-0.77	-0.73	-0.65	-0.52
AUD	2.78	2.87	2.96	3.06	3.34

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
9-Jul-18	JPY	BOJ Goc Kuroda Speaks			
9-Jul-18	EUR	ECB President Draghi Speaks			
10-Jul-18	CNY	CPI y/y		1.9%	1.8%
10-Jul-18	GBP	Manufacturing Production m/m		1.0%	-1.4%
11-Jul-18	CAD	Overnight Rate		1.50%	1.50%
11-Jul-18	GBP	BOE Gov Carney Speaks			
12-Jul-18	USD	CPI m/m		0.2%	0.2%
12-Jul-18	USD	Core CPI m/m		0.2%	0.2%
12-Jul-18	USD	Unemployment Claims		227K	231K
13-Jul-18	CNY	Trade Balance		183B	157B

#### Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.54	2.63	2.72	2.82	2.93
Germany	-0.67	-0.60	-0.31	0.29	0.99
United Kingdom	0.74	0.76	1.03	1.27	1.71
Japan	-0.14	-0.14	-0.13	0.02	0.67

#### Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	73.93	-0.09	Dow Jones	24,456.48	0.41
Brent	77.11	-0.36	Nikkei 225	21,788.14	1.12
West Texas	73.80	1.18	S&P 500	2,759.82	0.85
Gold	1,255.48	-0.19	KuwaitSE	4,919.16	0.15

All information has been sourced from Bloomberg

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

For further information or discussion, please contact the Treasury Services Desk on TSD\_LIST@NBK.COM or +965 2221 6603 FAX +965 2241 9720.