Treasury Group

Treasury Newsletter

April 19, 2017

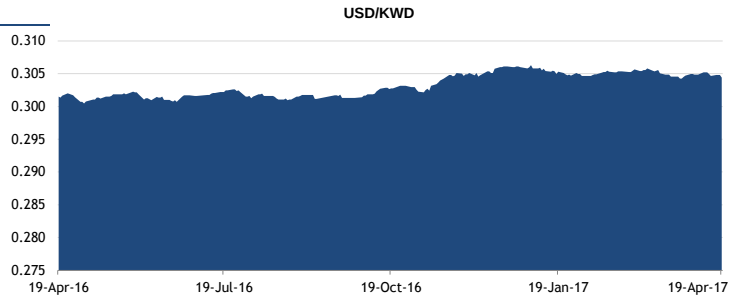
Kuwaiti Dinar Today 0.30440 / 0.30450

Highlights in the Foreign Exchange Market:

- In the US, the three major stocks indices closed lower on Tuesday as investors were not encouraged by the corporate earnings data. The Dow Jones and S&P 500 lost 0.55% and 0.29% of their value. Asian equity indices are in the red zone today following the downward trend from Wall Street and geopolitical tensions. The Hang Sang is currently down by 0.60%, trading at 23,779.90.

- The Pound sky-rocketed yesterday after Prime Minister Theresa May announced an early general election ahead of the Brexit Negotiations. May said the election would "secure the strong and stable leadership" position needed for talks with the European Union about terms for the looming exit. Markets took this news positively as an intention to quell a divided parliament and solidify support for the upcoming battle with the EU. With a stronger negotiating arm, the UK can push for a better outcome of Brexit. The GBP/USD jumped 2.18% to a 6 month high of 1.2820 in support of the decision. The snap election will take place June 8, 2017.

- On the economic front, the IMF raised global growth projections by 3.5% this year and 3.6% for 2017. The higher growth forecast is attributed to increasing oil prices, which boosted inflation readings and supports economies that dependent on commodity exports. The IMF expects the U.S. to grow by 2.3% in 2017, up from 1.6% last year on expectations of fiscal stimulus. For China, growth is expected to come at 6.6% in 2017 and 6.2% in 2018. On the other hand, the institution warned on low productivity growth and high income inequality in advanced countries. However, the real issues the IMF stated are escalating political tensions, trade disagreements and the rise of populism around the globe.



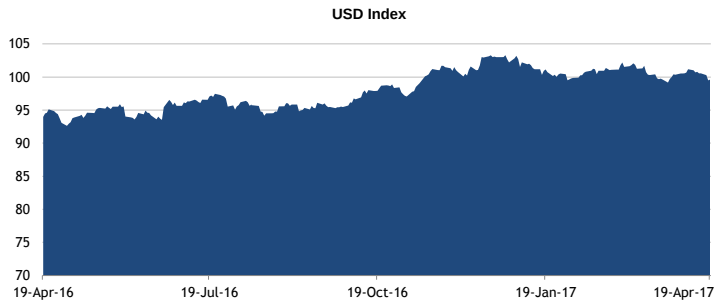


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0605	1.0660	**1.0718**	1.0765	1.0830
GBP	1.2690	1.2770	**1.2824**	1.2900	1.2970
JPY	107.55	108.05	**108.61**	109.20	109.70
CHF	0.9840	0.9920	**0.9975**	1.0020	1.0080

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.0732	1.94
GBP/USD	1.2836	3.92
USD/JPY	108.40	(7.02)
USD/CHF	0.9962	(1.95)

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8352	(1.87)
GBP/JPY	139.20	(3.28)
EUR/JPY	116.34	(5.43)
EUR/CHF	1.0686	(0.21)

Brief Technical Commentary

The EUR/USD pair advanced to 1.0735 during Tuesday's trading session and currently sets at 1.0718, EUR Support is at (1.0660-1.0605) any break below tragets 1.0350 and Resistance is at (1.0765-1.0830) any break above targets 1.1100 The pair is currently Neutral.

The USD/JPY pair advanced to 108.31 during Tuesday's trading session and currently sits at 108.61. USD/JPY Support is at (108.05-107.55) any break below targets 105.00. The pair is currently Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.00	1.38	1.63	1.88	2.13
USD	0.95	0.99	1.16	1.40	1.76
EUR	-0.41	-0.39	-0.36	-0.26	-0.14
GBP	0.24	0.26	0.34	0.48	0.70
CHF	-0.81	-0.78	-0.73	-0.68	-0.51
AUD	2.78	2.86	2.95	3.05	3.33

Economic Events

Date	Country	Event	Actual	Forecast	Previous
17-Apr-17	CNY	GDP q/y	6.9%	6.8%	6.8%
17-Apr-17	JPY	BOJ Gov Kuroda Speaks	-	-	-
18-Apr-17	AUD	Monetary Policy Minutes	-	-	-
19-Apr-17	EUR	Final CPI y/y	-	1.5%	1.5%
20-Apr-17	USD	Philly Fed Manufacturing Index	-	25.6	32.8
20-Apr-17	GBP	BOE Gov Carney Speaks	-	-	-
20-Apr-17	USD	Treasury Sec Mnuchin Speaks	-	-	-
21-Apr-17	GBP	Retail Sales m/m	-	-0.3%	1.4%
21-Apr-17	GBP	MPC Saunders Speaks	-	-	-
21-Apr-17	USD	FOMC Kashkari Speaks	-	-	-

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.99	1.17	1.71	2.18	2.85
Germany	-0.87	-0.89	-0.54	0.16	0.88
United Kingdom	0.04	0.07	0.45	1.01	1.62
Japan	-0.23	-0.23	-0.18	0.00	0.75

Commodities

Index	Last Price	% Change
Kuwait Oil	52.00	(0.19)
Brent	51.84	(0.04)
West Texas	52.41	(0.19)
Gold	1,284.77	(0.36)

Global Indices

Index	Last Price	Change
.DJI	20,523.28	(113.64)
Nikkei 225	18,429.99	11.40
S&P 500	2,342.19	(6.82)
KuwaitSE	6,894.24	9.51

All information has been sourced from Reuters

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 (TELEX : 46811 - FAX +965 2241 9720).