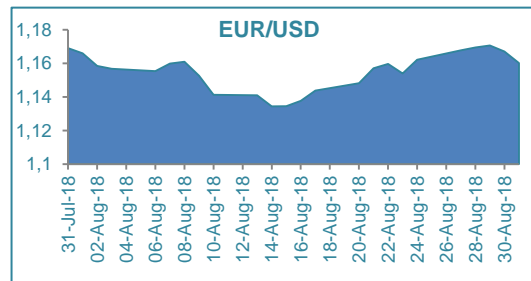


FX Monthly Update August 2018

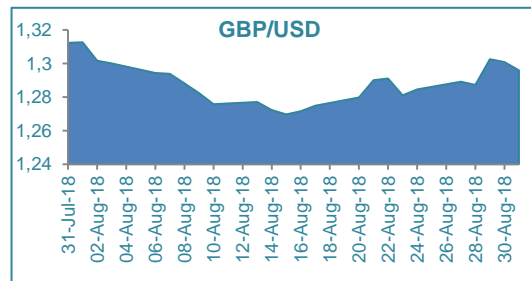
Currency	Month Close Price	1 Month Change %	30 Day High	30 Day Low
EUR/USD	1,1602	-0,76%	1,1746	1,1301

The Euro dropped to a fresh 14-month low against the dollar in August amid concerns of the Euro blocs exposure to Turkey and the ongoing political issues in Italy. The single currency managed to rally off its lows helped by the latest legal drama engulfing Donald Trump's presidency and slightly dovish comments from the Federal Reserve who reaffirmed their intent to take a gradualist approach to interest-rate increases.

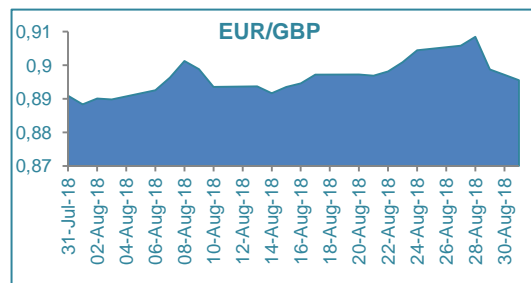


Currency	Month Close Price	1 Month Change %	30 Day High	30 Day Low
GBP/USD	1,296	-1,25%	1,3213	1,2662
EUR/GBP	0,8955	0,52%	0,9099	0,8855

GBP/USD extended its decline throughout the month, trading as low as 1,2662, its lowest level since June 2017. The slump in the pound was exacerbated by comments from UK Prime Minister Theresa May saying that a no-deal Brexit is better than a bad deal, increasing concerns of a hard Brexit. UK data showed GDP increasing 0,4 percent between April and June, in line with consensus, while unemployment dropped to 4%.

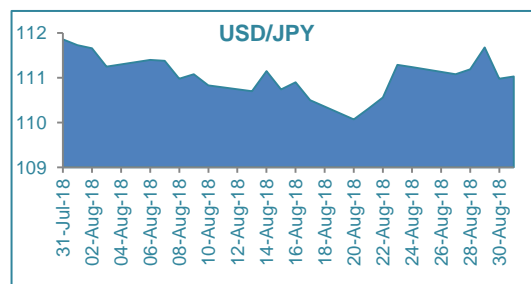


EUR/GBP stopped just short of the 0,91 level as bad news in the form of Brexit outweighed the euros turmoil emanating from Turkey and Italy. The pound came back below the key psychological level at 0,90 helped by the EU's chief negotiator Michel Barnier who signalled an accommodative stance towards the UK on ongoing Brexit negotiations.



Currency	Month Close Price	1 Month Change %	30 Day High	30 Day Low
USD/JPY	111,03	-0,74%	112,15	109,78

The yen was caught between broad based dollar strength and a rotation into safe-haven currencies in August, as the pair settled marginally lower for the month. At it latest meeting the Bank of Japan left its key interest rates unchanged while announcing policy minor policy changes, including reducing the amount of bank reserves subject to its negative interest rate and forward guidance for policy rates.



Contacts

Investment Strategy & Advisory Management

Tasos Hadjinicolaou, Manager

Tel:22121853

Email: tasos.hadjinicolaou@bankofcyprus.com

Dr Marios Soupashis, Senior Officer

Tel:22121848

Email: marios.soupashis@bankofcyprus.com

Achilleas Petrides, Officer

Tel:22121856

Email: achilleas.petrides@bankofcyprus.com

IMPORTANT DISCLOSURES AND DISCLAIMER

Bank of Cyprus Group, Investment Strategy Unit

Tel: +357 22 121853, 22 121856, 22 1218509, 22 121848 Fax +357 22 378970 Postal Address: P.O. Box 21472, Nicosia 1599, Cyprus

This report is intended for informative purposes only. Under no circumstances is it to be used or considered as an offer to sell, or a solicitation of any offer to buy, any security. It is recommended that investors independently evaluate particular strategies and consult a financial adviser before proceeding to the purchase or sale of any security or other financial instrument. Note also that past performance may not be a reliable indicator of future results, while financial forecasts may not be a reliable indicator of future performance. Investors may not get back the original amount invested. This report has been compiled based on information obtained from sources we believe to be reliable, but their accuracy, completeness, or correctness cannot be guaranteed. The opinions contained within the report are based upon publicly available information at the time of publication and are subject to change without notice. The use of forward looking wording such as "expect", "estimate", "forecast", involve known and unknown risks and uncertainties which may mean that the actual results may differ from any future results implied by the forward looking wording included in the relevant statements. Bank of Cyprus and/ or its affiliated companies or persons connected with it and/or directors and/or employees and/or clients may have a position, or engage in transactions in any of the securities mentioned herein or any related investment, or solicit business from any company mentioned in this report. More details on the conflicts of interest policy can be found in the MiFID Pre-Contractual Information Package
