



Highlights in the Foreign Exchange Market:

- Canada's central bank announced it was keeping its overnight rate unchanged at 1.75% on Wednesday, adding that "an accommodative policy interest rate continues to be warranted" while pointing to slower than expected global growth. The bank last raised the rate in October of 2018 and has more recently scaled back its estimate for Canadian economic growth in 2019 to 1.2% from the 1.7% projected in January. Ongoing trade negotiations between China and the US have weighed heavily on business sentiment and activity, while last year's oil price decline hit the country's exports. More recently, the rally in oil prices along with the Trump administration's decision to end exemptions of sanctions on oil moved the country's currency to its strongest level in three weeks at 1.3113.
- US stocks reached a record high this week as investors digested corporate earnings of major companies. The Nasdaq Composite and S&P 500 closed at a record high on Tuesday and have eased only slightly since. Both Facebook and Microsoft exceeded first-quarter revenue estimates, while results were less attractive for Tesla as it lost \$2.90 a share versus estimates for a loss of \$1.30. Looking ahead, first quarter GDP data is due on Friday and investors will watch closely as signs of softness in economic data across the globe remain prominent.
- On the FX front, the US dollar continued on its bull-run to reach a 2 year high. The EUR/USD pair broke the 1.12 level during Wednesday's trading session and reached a low of 1.1145 which is a 2 year low for the euro. The fundamentals support a lower euro as a slowing European economy struggles to push inflation to reach the ECB target of 2%. Similarly, the Sterling pound broke the 1.29 level and reached a 2 month low of 1.2897 as the dollar rally took over the market movement. On the other hand, the US dollar seems to be surging on the back of news that US and China negotiators plan to have a draft of the trade agreement ready by end of May and the strong corporate earnings in equity markets.

Chart Points and Other Technical Input

| CCY | 2nd Support | 1st Support | Spot | 1st Resistance | 2nd Resistance |
|-----|-------------|-------------|--------|----------------|----------------|
| EUR | 1.1050 | 1.1100 | 1.1151 | 1.1200 | 1.1250 |
| GBP | 1.2800 | 1.2850 | 1.2900 | 1.2955 | 1.3005 |
| JPY | 111.00 | 111.50 | 111.98 | 112.55 | 113.00 |
| CHF | 1.0105 | 1.0155 | 1.0200 | 1.0255 | 1.0305 |

Major Currencies

| CCY | Closing Rate | YTD % | CCY | Closing Rate | YTD % |
|---------|--------------|--------|---------|--------------|--------|
| EUR/USD | 1.1152 | (2.75) | EUR/GBP | 0.8647 | (3.61) |
| GBP/USD | 1.2900 | 1.17 | GBP/JPY | 144.72 | 3.21 |
| USD/JPY | 112.1700 | 1.51 | EUR/JPY | 125.12 | (1.91) |
| USD/CHF | 1.0203 | 3.97 | EUR/CHF | 1.1380 | 1.15 |

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1139 level during Wednesday's trading session and currently trading at 1.1251 EUR/USD Support is at (1.1050-1.1100) any break below would take the pair lower to 1.0900. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2886 level during Wednesday's trading session and currently trading at 1.2900 GBP/USD Support is at (1.2800-1.2850) any break below would take the pair down to 1.2750. Short term outlook is Bearish.

Local & Global Rates

| CCY | 1-Week | 1-Month | 3-Month | 6-Month | 1-Year |
|-----|--------|---------|---------|---------|--------|
| KWD | 2.06 | 2.44 | 2.69 | 2.88 | 3.13 |
| USD | 2.42 | 2.48 | 2.59 | 2.62 | 2.73 |
| EUR | -0.44 | -0.41 | -0.35 | -0.31 | -0.20 |
| GBP | 0.70 | 0.73 | 0.82 | 0.94 | 1.09 |
| CHF | -0.81 | -0.79 | -0.72 | -0.64 | -0.51 |
| AUD | 1.65 | 1.66 | 1.60 | 1.67 | 1.60 |

Economic Events

| Date | Country | Event | Actual | Forecast | Previous |
|-----------|---------|-----------------------------|--------|----------|----------|
| 22-Apr-19 | USD | Existing Home Sales | 5.21M | 5.31M | 5.51M |
| 23-Apr-19 | JPY | Core CPI y/y | 0.5% | 0.5% | 0.4% |
| 24-Apr-19 | AUD | CPI q/q | 0.0% | 0.2% | 0.5% |
| 24-Apr-19 | EUR | German Ifo Business Climate | 99.2 | 99.9 | 99.6 |
| 24-Apr-19 | CAD | Bank of Canada Meeting | | | |
| 25-Apr-19 | JPY | Bank of Japan Meeting | | | |
| 25-Apr-19 | USD | Core Durable Goods m/m | | 0.2% | -0.1% |
| 26-Apr-19 | CHF | SNB Chairman Speaks | | | |
| 26-Apr-19 | USD | Advance GDP q/q | | 2.2% | 2.2% |
| 26-Apr-19 | USD | UoM Consumer Sentiment | | 97.1 | 96.9 |

Government Yields

| Country | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|----------------|--------|--------|--------|---------|---------|
| United States | 2.41 | 2.32 | 2.31 | 2.52 | 2.94 |
| Germany | -0.60 | -0.62 | -0.43 | -0.01 | 0.63 |
| United Kingdom | 0.76 | 0.74 | 0.89 | 1.17 | 1.71 |
| Japan | -0.17 | -0.16 | -0.16 | -0.04 | 0.58 |

Commodities

| Index | Last Price | % Change | Index | Last Price | % Change |
|------------|------------|----------|------------|------------|----------|
| Kuwait Oil | 74.76 | (0.03) | Dow Jones | 26,597.05 | (0.22) |
| Brent | 74.70 | 0.13 | Nikkei 225 | 22,310.09 | 0.50 |
| West Texas | 65.87 | (0.02) | S&P 500 | 2,927.25 | (0.22) |
| Gold | 1,276.20 | 0.10 | KuwaitSE | 5,733.94 | 0.20 |

All information has been sourced from Reuters.

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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).