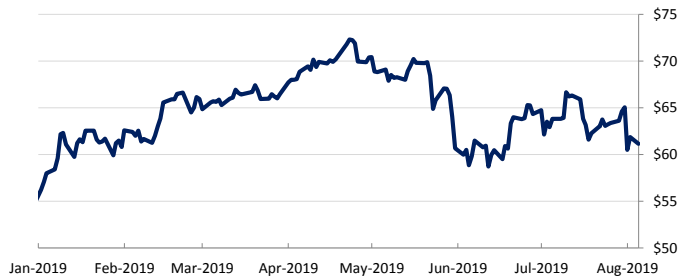


Highlights in the Foreign Exchange Market:

- The Bank of England voted unanimously to maintain its interest rates at 0.75% and their asset purchase program unchanged. In spite of its neutral stance, the Bank shares the depressed view of US and EU policymakers on the dwindling outlook for global growth. The British economy is evidently suffering from the severe Brexit uncertainty and in specific the growing probability of the UK crashing out of the EU without a deal. As a result, the pound has shed more than 8% since May.
- In Asia, China's yuan tumbled more than 1% on Monday to 11-year lows on mounting fears over a sharp escalation in the US-China trade war, sparking a sell-off in other currencies in the region. The broadening fallout of the trade dispute saw investors rushing into safe-haven assets, with the Japanese yen rising to a seven-month peak. The sharp fall came after Beijing vowed on Friday to fight back against U.S. President Donald Trump's abrupt decision to slap 10% tariffs on the remaining \$300 billion in Chinese imports.
- In commodities, gold prices jumped 1% to their highest level in more than six years this morning, as the escalating trade war between the United States and China along with global growth worries drove investors towards safe-haven assets. Meanwhile, oil prices fell over the same news reducing future demand expectations. Signs of rising oil exports from the United States also pressured prices.

Brent Crude



GBP/USD YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1025	1.1075	1.1126	1.1175	1.1230
GBP	1.2040	1.2090	1.2140	1.2190	1.2295
JPY	104.90	105.40	105.91	106.40	106.90
CHF	0.9690	0.9720	0.9792	0.9840	0.9990

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1108	-2.95	EUR/GBP	0.9136	-1.84
GBP/USD	1.2162	-4.72	GBP/JPY	129.64	8.63
USD/JPY	106.59	3.52	EUR/JPY	118.39	6.71
USD/CHF	0.9824	0.30	EUR/CHF	1.09	3.28

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1068 level during Friday's trading session and currently trading at 1.1126 EUR/USD Support is at (1.1025-1.1075) any break below would take the pair down to 1.0925. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2089 level during Friday's trading session and currently trading at 1.2140 GBP/USD Support is at (1.2040-1.2090) any break below would take the pair down to 1.1950. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	2.63	2.81	3.00	3.19
USD	2.18	2.23	2.24	2.13	2.12
EUR	-0.46	-0.43	-0.41	-0.42	-0.35
GBP	0.69	0.71	0.77	0.81	0.85
CHF	-0.84	-0.82	-0.77	-0.76	-0.64
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
5-Aug-19	GBP	Services PMI		50.4	50.2
5-Aug-19	USD	ISM Non-Manufacturing PMI		55.5	55.1
6-Aug-19	USD	FOMC Member Bullard Speaks			
8-Aug-19	CNY	Trade Balance		310B	345B
9-Aug-19	AUD	RBA Gov Lowe Speaks			
9-Aug-19	GBP	GDP m/m		0.1%	0.3%
9-Aug-19	GBP	Manufacturing Production m/m		-0.1%	1.4%
9-Aug-19	GBP	Prelim GDP q/q		0.0%	0.5%
9-Aug-19	USD	Core PPI m/m			0.3%
9-Aug-19	USD	PPI m/m			0.1%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	1.64	1.59	1.58	1.77	2.32
Germany	-0.80	-0.84	-0.74	-0.50	0.00
United Kingdom	0.41	0.32	0.33	0.55	1.24
Japan	-0.22	-0.24	-0.28	-0.20	0.28

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	62.57	-3.89	Dow Jones	26,485.01	-0.37
Brent	61.17	-1.16	Nikkei 225	20,616.02	-2.23
West Texas	55.05	-1.10	S&P 500	2,932.05	-0.73
Gold	1,452.21	0.79	KuwaitSE	4,886.71	-0.11

Global Indices

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.