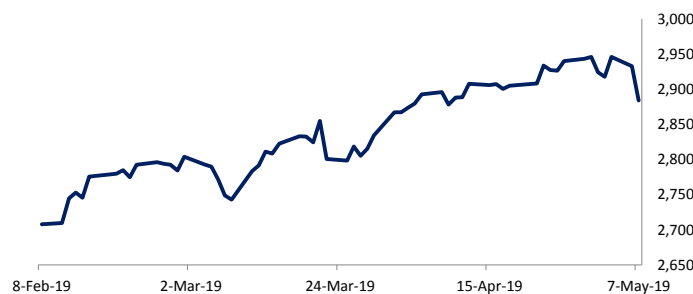


Highlights in the Foreign Exchange Market:

- President Trump's recent shift in rhetoric in regards to the trade war with China has kept investors on edge. The President threatened 25% tariffs on all Chinese goods, and the escalation had created an immediate response in the markets given the setback to investors' appetite. Safe havens such as the dollar and Japanese yen rose against every other major currency, China's renminbi hit its lowest level since January, while a sharp sell-off in the equity markets ensued. Looking ahead, talks are still scheduled to take place this week though Beijing officials are said to be "livid" by the new threats. US equities fell for their second day in a row as investor sentiment remains fragile while traders wait for the next developments in talks.
- The market sell-off in the US triggered by the President's statements has deepened, with Asian equities following as Chinese stocks touch their lowest level in two months. The S&P 500 tumbled over 2%, while Hong Kong's Hang Seng and Tokyo's Topix were lower after initially touching a six-week low. The MSCI World index of global stock markets fell 1.7% on Tuesday, marking its largest decline of this year.
- Turkey has ordered a re-run of elections in Istanbul, sending the lira plummeting as concerns of political instability in the country grows. Erdogan's AK Party had demanded the revote, and the High Election Board accepted on the basis of allegations that the balloting was tainted. His party had lost the initial election in a major defeat to the President, delivering the worst ballot-box setback in his 16 years of power. The new election will be held on June 23rd. Meanwhile, the already suffering economy takes on further hits as the Turkish Lira tumbled the most in emerging markets and stocks erased this year's gains. The USD/TRY pair rose to around 6.15, a sharp contrast to the already weak levels seen around the same time last year at around 4.22.



USD/TRY
1 Year Performance

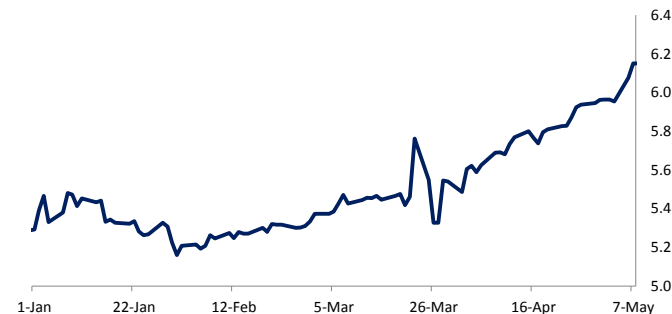


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1110	1.1160	1.1208	1.1260	1.1310
GBP	1.2960	1.3010	1.3062	1.3110	1.3265
JPY	109.05	109.65	110.07	110.60	111.10
CHF	1.0085	1.0135	1.0186	1.0235	1.0285

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1190	(2.35)	EUR/GBP	0.8556	(4.45)
GBP/USD	1.3074	2.24	GBP/JPY	144.16	2.60
USD/JPY	110.2400	(0.12)	EUR/JPY	123.38	(2.25)
USD/CHF	1.0194	3.81	EUR/CHF	1.1408	1.40

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1164 level during Tuesday's trading session and currently trading at 1.1208 EUR/USD. Resistance is at (1.1260-1.1310) any break above would take the pair up to 1.1390. Short term outlook is Bullish, however a break under the 1.1110 will change the outlook to Bearish.

GBP/USD: The pair moved down to the 1.3037 level during Tuesday's trading session and currently trading at 1.3062 GBP/USD. Support is at (1.2960-1.3010) any break below would take the pair down to 1.2865. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.13	2.50	2.69	2.94	3.19
USD	2.40	2.46	2.56	2.59	2.72
EUR	-0.44	-0.42	-0.35	-0.30	-0.21
GBP	0.69	0.73	0.81	0.92	1.09
CHF	-0.81	-0.79	-0.71	-0.65	-0.51
AUD	1.41	1.50	1.61	1.61	1.66

Economic Events

Date	Country	Event	Actual	Forecast	Previous
6-May-19	CAD	BOC Gov Poloz Speaks			
7-May-19	AUD	Retail Sales m/m	0.3%	0.2%	0.8%
7-May-19	NZD	Inflation Expectations q/q			2.0%
7-May-19	AUD	Cash Rate	1.5%	1.25%	1.50%
8-May-19	NZD	Official Cash Rate	1.5%	1.75%	1.75%
8-May-19	NZD	RBNZ Monetary Policy Statement			
9-May-19	CAD	Trade Balance			-2.9B
9-May-19	USD	Fed Chair Powell Speaks			
9-May-19	USD	PPI m/m		0.2%	0.6%
10-May-19	GBP	GDP m/m		0.0%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.36	2.29	2.27	2.46	2.87
Germany	-0.60	-0.63	-0.46	-0.04	0.62
United Kingdom	0.72	0.73	0.88	1.14	1.67
Japan	-0.17	-0.16	-0.17	-0.06	0.53

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	70.48	(0.45)	Dow Jones	25,965.09	(1.79)
Brent	72.15	(3.00)	Nikkei 225	21,602.59	(1.46)
West Texas	63.30	(3.70)	S&P 500	2,884.05	(1.65)
Gold	1,286.06	0.14	KuwaitSE	5,819.96	1.54

Global Indices

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).