

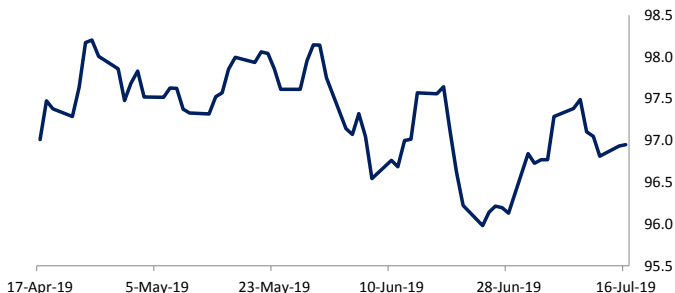
Kuwaiti Dinar Today

0.30345 / 0.30355

Highlights in the Foreign Exchange Market:

- The US dollar traded in a positive manner on the first trading day of the week, despite expectations that the US central bank will lower its overnight rate by 0.25% on July 31. It seems that frail growth around the globe is still skewing investors in the direction of dollar safety. The latest report on China revealed that the economy expanded at the slowest pace since the early 1990's. The dollar index rose 0.12% versus a basket of currencies. Yet again, the NZD and AUD were the best two performing currencies in yesterday's session, up by 0.67% and 0.50% respectively. Overall, FX markets were trading in a silent manner and volatility was low as markets await US retail sales to be released today and next week's European Central Bank meeting, with investors expecting a dovish statement.
- Looking at equities, a modest rally was seen on Wall Street last week by expectations of a looser monetary policy at the Federal Reserve. A number of further corporate reports due throughout the week also pushed equities to fresh record highs. The S&P 500 reached a record high of 3,017, while the Dow Jones followed a similar trajectory reaching a record high of 27,364.
- In the commodities complex, the precious metal (Gold) has been trading in a negative manner as China's Q2 annual GDP growth fell to a 27-year low of 6.2%. Moreover, markets are recently expecting a less aggressive interest rate cut by the FED. The implied probability of two cuts by September is around 57%, down from an earlier probability of 75%. Gold lost 0.13% of its value in yesterday's session, currently trading at 1,414.6.

US Dollar Index



Gold



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1160	1.1210	1.1258	1.1310	1.1360
GBP	1.2415	1.2465	1.2515	1.2570	1.2625
JPY	106.95	107.45	107.97	108.55	109.05
CHF	0.9750	0.9800	0.9850	0.9900	0.9950

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.1257	0.00
GBP/USD	1.2514	(1.91)
USD/JPY	107.9000	0.00
USD/CHF	0.9845	0.38

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8993	0.14
GBP/JPY	135.03	(3.51)
EUR/JPY	121.47	0.00
EUR/CHF	1.1082	(1.44)

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1284 level during Monday's trading session and currently trading at 1.1258 EUR/USD Resistance is at (1.1310-1.1360) any break above would take the pair up to 1.1425. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2579 level during Monday's trading session and currently trading at 1.2515 GBP/USD Resistance is at (1.2570-1.2625) any break above would take the pair up to 1.2735. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.19	2.50	2.75	2.94	3.13
USD	2.37	2.31	2.30	2.22	2.21
EUR	-0.44	-0.43	-0.40	-0.40	-0.32
GBP	0.68	0.72	0.77	0.81	0.89
CHF	-0.82	-0.81	-0.75	-0.71	-0.60
AUD	1.11	1.00	1.24	1.25	1.25

Economic Events

Date	Country	Event	Actual	Forecast	Previous
16-Jul-19	USD	Average Earnings Index 3m/y		3.1%	3.1%
16-Jul-19	USD	Core Retail Sales m/m		0.1%	0.5%
16-Jul-19	USD	Fed Chair Powell Speaks			
17-Jul-19	GBP	CPI y/y		2.0%	2.0%
17-Jul-19	EUR	CPI y/y		1.2%	1.2%
17-Jul-19	USD	Building Permits		1.30M	1.29M
18-Jul-19	GBP	Retail Sales m/m		-0.3%	-0.5%
18-Jul-19	GBP	BOE Credit Conditions Survey			
18-Jul-19	JPY	Trade Balance		-0.14T	-0.61T
19-Jul-19	JPY	National Core CPI y/y		0.6%	0.8%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.92	1.84	1.85	2.09	2.61
Germany	-0.73	-0.74	-0.63	-0.30	0.32
United Kingdom	0.61	0.55	0.58	0.80	1.41
Japan	-0.18	-0.19	-0.22	-0.13	0.38

Commodities

Index	Last Price	% Change
Kuwait Oil	66.84	(1.24)
Brent	62.53	0.21
West Texas	56.41	0.28
Gold	1,414.40	0.05

Global Indices

Index	Last Price	% Change
Dow Jones	27,359.16	0.10
Nikkei 225	21,540.58	(0.67)
S&P 500	3,014.30	0.02
KuwaitSE	6,102.44	(0.43)

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).