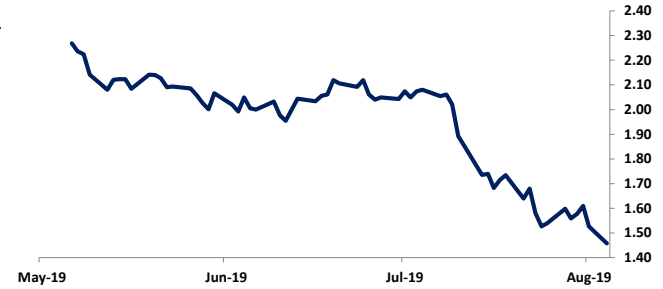


Highlights in the Foreign Exchange Market:

- Risk aversion remains the dominant theme in financial markets today after last week's Sino-U.S. trade war shook confidence in the global economy. Investors are fleeing risky assets and are shifting their asset allocations toward safer investments. Hence, Asian stock markets are currently trading in negative terrain, with the Hang Seng index leading the way with heavy losses of 2.79%. As for the best performing asset, the safe haven yellow metal (Gold) is up by more than 1% at \$1,542.30.
- Benchmark U.S. Treasury yields continued to fall to their lowest levels as an escalation in the U.S.-China trade war raised concerns about an economic downturn. The bond market is pricing in a very bearish picture of the economy. The 2-year and 10-year yield curve inverted last week for the first time since 2007, a signal that a recession is likely in one to two years. The curve has traded in and out of inversion for the past three days. Interest rate futures traders are pricing in a 100% chance of a rate cut at the Fed's September meeting, up from 96% before the Fed's minutes last week.
- The European Central Bank released the minutes for its July monetary policy meeting where it sent strong signals that they are preparing a package of new easing measures. To combat the fall in inflation, the minutes revealed the possibility of a "package" like policy which included various tools such as rate cuts and asset purchases. September's policy meeting will now be highly anticipated by markets to see if any of the "package" tools are implemented.

10yr US Treasury Yield
3 Month Performance



EUR/USD
3 Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1045	1.1095	1.1144	1.1190	1.1245
GBP	1.2165	1.2215	1.2264	1.2315	1.2370
JPY	104.25	104.80	105.30	105.85	106.35
CHF	0.9650	0.9700	0.9751	0.9800	0.9850

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1144	(2.84)	EUR/GBP	0.9068	1.08
GBP/USD	1.2277	(3.83)	GBP/JPY	129.41	(7.82)
USD/JPY	105.3900	(4.57)	EUR/JPY	117.46	(7.10)
USD/CHF	0.9745	(0.65)	EUR/CHF	1.0858	(3.44)

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1153 level during Friday's trading session and is currently trading at 1.1144. EUR/USD Support is at (1.1045-1.1095) any break below would take the pair down to 1.0895. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2293 level during Friday's trading session and is currently trading at 1.2264. GBP/USD Support is at (1.2165-1.2215) any break below would take the pair down to 1.2015. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.31	2.63	2.81	3.00	3.25
USD	2.13	2.14	2.14	2.08	2.03
EUR	-0.46	-0.45	-0.45	-0.44	-0.39
GBP	0.68	0.71	0.76	0.81	0.87
CHF	-0.84	-0.86	-0.84	-0.82	-0.72
AUD	1.05	1.04	0.90	1.02	1.00

Economic Events

Date	Country	Event	Actual	Forecast	Previous
25-Aug-19	All	G7 Meetings			
26-Aug-19	EUR	German Ifo Business Climate		95.1	95.7
26-Aug-19	USD	Core Durable Goods Orders		0.2%	1.0%
27-Aug-19	USD	CB Consumer Confidence		130.0	135.7
28-Aug-19	USD	Crude Oil Inventories			-2.7M
29-Aug-19	EUR	German Preliminary CPI m/m		-0.1%	-1.9%
29-Aug-19	USD	Preliminary GDP q/q		2.0%	2.1%
30-Aug-19	EUR	CPI Flash Estimate y/y		1.0%	1.0%
30-Aug-19	USD	Core PCE Price Index m/m		0.3%	0.2%
31-Aug-19	CNY	Manufacturing PMI		53.6	53.7

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.72	1.45	1.33	1.45	1.95
Germany	-0.83	-0.91	-0.93	-0.69	-0.18
United Kingdom	0.43	0.41	0.35	0.47	1.07
Japan	-0.29	-0.33	-0.37	-0.29	0.14

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	60.23	(1.9)	Dow Jones	25,628.90	(2.37)
Brent	58.73	(0.6)	Nikkei 225	20,244.80	(2.25)
West Texas	53.51	(0.66)	S&P 500	2,847.11	(2.59)
Gold	1,542.94	1.10	KuwaitSE	5,909.06	(1.52)

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