

Highlights in the Foreign Exchange Market:

- The Sterling pound plummeted to lows of March 2017 breaking the 1.22 level and reaching all the way to 1.2152. The cable fell on raising concerns over the ability of PM Boris Johnson to reach a deal with the bloc and finalize Brexit. Yet, his efforts are deemed unsuccessful by traders which sent the currency into selling mode with hard Brexit rhetoric looming. The bloc is adamant that the backstop provision, which is meant to guarantee the Irish border with the U.K. remains open after Brexit, can't be removed from the divorce deal.
- As for the Japanese yen, the currency strengthened versus the U.S. dollar after the Bank of Japan left its monetary policy unchanged. The USD/JPY is currently down by 0.20% trading at 108.60. However, monetary officials stated that they will further loosen policy "without hesitation" if the economy loses momentum and inflation remains subdued. The broadening consequences from the U.S.-China trade war has encouraged major central banks in the U.S. and Europe to signal interest rate cuts, putting pressure on the BoJ, which has far less policy ammunition to deal with an economic downturn. Overall, the verdict on maintaining its interest rate targets was made by a 7-2 vote, with board members Goushi Kataoka and Yutaka Harada rebelling against a neutral stance.
- In the equities market, Asian stocks opened today's trading session in the green-zone as investors await trade-talks to resume between the U.S. and China starting today. This news comes after 3-months of halted negotiations between the world's two largest economies. The Nikkei is trading in a higher manner, up by 0.33% in today's session.

GBP/USD
YTD Performance



USD/JPY
YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1035	1.1085	1.1137	1.1195	1.1235
GBP	1.2030	1.2075	1.2131	1.2180	1.2235
JPY	107.60	108.15	108.58	109.05	109.55
CHF	0.9815	0.9865	0.9915	0.9960	1.0015

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1144	(2.89)	EUR/GBP	0.9119	2.19
GBP/USD	1.2217	(4.92)	GBP/JPY	132.88	(5.93)
USD/JPY	108.7700	(1.51)	EUR/JPY	121.22	(4.18)
USD/CHF	0.9914	1.02	EUR/CHF	1.1050	(1.85)

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1111 level during Monday's trading session and currently trading at 1.1137. EUR/USD Support is at (1.1035-1.1085) any break below would take the pair down to 1.0925. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2210 level during Monday's trading session and currently trading at 1.2128. GBP/USD Support is at (1.2030-1.2075) any break below would take the pair down to 1.1965. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.25	2.56	2.81	3.00	3.19
USD	2.23	2.23	2.26	2.20	2.20
EUR	-0.46	-0.42	-0.40	-0.41	-0.35
GBP	0.69	0.71	0.78	0.81	0.86
CHF	-0.83	-0.81	-0.76	-0.74	-0.62
AUD	1.05	1.05	1.09	1.23	1.00

Economic Events

Date	Country	Event	Actual	Forecast	Previous
30-Jul-19	USD	CB Consumer Confidence	-	125.2	121.5
31-Jul-19	CNY	Manufacturing PMI	-	49.6	49.4
31-Jul-19	USD	ADP Employment Change	-	150k	102k
31-Jul-19	USD	FOMC Statement	-		
31-Jul-19	USD	Federal Funds Rate	-	<2.25%	<2.5%
31-Jul-19	USD	FOMD Press Conference	-		
1-Aug-19	CNY	Caixin Manufacturing PMI	-	49.6	49.4
1-Aug-19	GBP	BOE Inflation Report	-		
1-Aug-19	GBP	Montary Policy Summary	-		
1-Aug-19	GBP	Official Bank Rate	-	0.75%	0.75%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.98	1.85	1.84	2.06	2.59
Germany	-0.72	-0.78	-0.72	-0.40	0.18
United Kingdom	0.50	0.46	0.43	0.64	1.33
Japan	-0.20	-0.22	-0.25	-0.16	0.35

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	65.75	1.05	Dow Jones	21,696.38	0.37
Brent	64.08	0.58	Nikkei 225	21,568.52	(0.41)
West Texas	56.85	0.17	S&P 500	3,020.97	(0.36)
Gold	1,423.44	(0.23)	KuwaitSE	6,143.10	0.31

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).