



Highlights in the Foreign Exchange Market:

- The US Federal Reserve held interest rates steady in its meeting last Wednesday, though signaled possible rate cuts of as much as 0.5% over the remainder of 2019. In their statement, Fed officials said US economic activity was rising at a "moderate" rate rather than a "solid rate", and are expecting growth of 2.1% this year and 2% in 2020. The probability of the bank holding rates steady is now minuscule, even as the Fed claims it will wait for a clearer picture on current risks facing the economy. The probability of a cut is now widely anticipated, with Bloomberg pricing a 100% chance of a cut in July.
- Unlike both the ECB and Fed which have both signaled willingness to lower interest rates unless global outlook improves, the Bank of England struck a less dovish tone. The bank voted unanimously to keep interest rates on hold at 0.75% and stuck to their message that rates would need to rise as long as Britain avoids a detrimental no-deal Brexit. However, economic growth is expected to drop to zero in the second quarter as the BOE claimed, "underlying growth in the UK appears to have weakened slightly in the first half of the year relative to 2018 to a rate a little below its potential."
- Thanks to predominantly dovish central banks, equities closed at record highs following the announcements. The US benchmark S&P 500 hit a YTD high of 2,954.18 last week, reflecting the Fed's dovish tilt prior to the G20 meeting next month where the US and Chinese presidents will meet and discuss a trade deal. Government debt in the US continued to rally, with demand for safer assets pushing the yield on benchmark 10-year treasuries under the 2% mark for the first time since 2016 at 1.9740. Gold prices also reflected the race to safe havens, reaching a five-year high of 1,410 on Friday.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1170	1.1270	1.1366	1.1465	1.1565
GBP	1.2540	1.2640	1.2740	1.2840	1.2940
JPY	105.30	106.30	107.30	108.30	109.35
CHF	0.9560	0.9665	0.9762	0.9870	0.9970

Major Currencies

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.1366	(0.90)	EUR/GBP	0.8923	(0.68)	
GBP/USD	1.2740	(0.13)	GBP/JPY	136.70	(2.39)	
USD/JPY	107.3000	(2.68)	EUR/JPY	121.98	(3.36)	
USD/CHF	0.9762	(0.53)	EUR/CHF	1.1099	(1.38)	

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1377 level during Friday's trading session and closed for the week at 1.1366 EUR/USD Resistance is at (1.1445-1.1465) any break above would take the pair up to 1.1565. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2748 level during Friday's trading session and closed for the week at 1.2740 GBP/USD Resistance is at (1.2840-1.2940) any break above would take the pair up to 1.3040. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.13	2.44	2.69	2.88	3.13
USD	2.37	2.40	2.35	2.22	2.20
EUR	-0.45	-0.42	-0.38	-0.38	-0.28
GBP	0.69	0.72	0.77	0.86	0.96
CHF	-0.84	-0.81	-0.72	-0.68	-0.58
AUD	1.20	0.75	1.10	1.30	1.15

Economic Events

Date	Country	Event	Actual	Forecast	Previous
24-Jun-19	EUR	German Ifo Business Climate		97.4	97.9
25-Jun-19	ALL	Opes Meetings			
25-Jun-19	USD	CB Consumer Confidence		132	134.1
25-Jun-19	USD	Fed Chair Powell Speaks			
26-Jun-19	GBP	Inflation Report Hearings			
26-Jun-19	USD	Core Durable Goods	0.1%	0.1%	0.0%
27-Jun-19	USD	Final GDP q/q		3.1%	3.1%
28-Jun-19	ALL	G20 Meetings			
28-Jun-19	GBP	Final GDP q/q		0.5%	0.5%
28-Jun-19	USD	Core PCE Price Index		0.2%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.93	1.77	1.80	2.06	2.59
Germany	-0.74	-0.73	-0.64	-0.28	0.30
United Kingdom	0.69	0.61	0.63	0.85	1.45
Japan	-0.24	-0.26	-0.29	-0.19	0.31

Commodities

Index	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	65.33	(0.80)	Dow Jones	26,719.13	(0.13)
Brent	65.20	1.16	Nikkei 225	21,258.64	0.95
West Texas	57.43	0.61	S&P 500	2,950.46	(0.13)
Gold	1,398.65	0.78	KuwaitSE	5,789.93	0.74

All information has been sourced from Reuters.

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