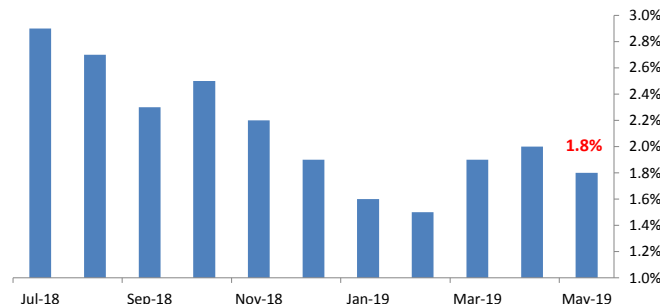


Highlights in the Foreign Exchange Market:

- US consumer price inflation weakened in May as the figure fell to 1.8% y/y last month, compared to the 2% recorded in April and just below expectations of a 1.9% increase. On a monthly basis the index rose 0.1%, a slowdown from the 0.3% rise seen in April. Excluding volatile food and fuel prices, the core CPI also slowed to a 2% y/y rise compared to the 2.1% forecasted. The readings follow the release of the producer price index, which recorded its slowest annual pace in more than two years for the month of May. As officials become increasingly weary over the outlook for both the domestic and global economy, the tame readings are likely to support the view in the markets that the Fed may have room to cut rates to counter the slowing growth. Continued trade tensions coupled with the sharp slowdown in May hiring has increased such rhetoric. Fed chairman Jerome Powell signaled last week that the central bank stood ready to cut interest rates, and would "act as appropriate to sustain the expansion".
- Moving forward, Fed policymakers will reconvene next week in a meeting to deliberate monetary policy. With no assurance that China and the US will come to a conclusion on the trade dispute at the G-20 summit later this month, trade continues to be the core of market uncertainty. In response to the inflation report, stock prices slumped while treasuries climbed and oil prices fell. Technology shares led the drop, with the tech-heavy Nasdaq 100 declining the most in a week. The S&P 500 fell around 1% to 2,879.84 after recovering from its 2,728 level seen early June while the Dow Jones Industrial Average followed a similar trajectory.
- In Europe, President Mario Draghi of the European Central Bank spoke at a press conference following the latest monetary policy. The bank claimed interest rates would remain unchanged at their record lows in an effort to boost inflation and stimulate growth. The ECB said in a statement that the governing council "now expects the key ECB interest rates to remain at their present levels at least through the first half of 2020." The ECB, along with the US Federal Reserve, have shifted to a more dovish stance as concerns over a cooling global economy persist.

US CPI y/y
1 Year Performance



S&P 500
3 Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1195	1.1245	1.1297	1.1350	1.1405
GBP	1.2590	1.2640	1.2690	1.2745	1.2795
JPY	107.30	107.80	108.31	108.80	109.30
CHF	0.9840	0.9890	0.9944	0.9995	1.0045

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1287	(1.49)	EUR/GBP	0.8894	(0.91)
GBP/USD	1.2686	(0.53)	GBP/JPY	137.66	(1.85)
USD/JPY	108.4900	(1.77)	EUR/JPY	122.45	(3.04)
USD/CHF	0.9954	1.32	EUR/CHF	1.1237	(0.13)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1347 level during Wednesday's trading session and currently trading at 1.1297 EUR/USD Resistance is at (1.1350-1.1405) any break above would take the pair up to 1.1535. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2758 level during Wednesday's trading session and currently trading at 1.2690 GBP/USD Resistance is at (1.2745-1.2795) any break above would take the pair up to 1.2970. 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	2.43	2.34	2.33
EUR	-0.44	-0.42	-0.37	-0.33	-0.24
GBP	0.69	0.72	0.79	0.87	0.99
CHF	-0.81	-0.80	-0.71	-0.66	-0.54
AUD	1.14	1.40	1.35	1.35	1.39

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Jun-19	CNY	Trade Balance	279B	136B	94B
10-Jun-19	GBP	GDP m/m	-0.4%	-0.1%	-0.1%
10-Jun-19	GBP	Manufacturing Production m/m	-3.9%	-1.1%	0.9%
11-Jun-19	GBP	Average Earnings Index 3m/y	3.4%	2.9%	3.2%
11-Jun-19	GBP	Unemployment Rate	3.8%	3.8%	3.8%
11-Jun-19	USD	Core PPI m/m	0.2%	0.2%	0.1%
12-Jun-19	USD	Core CPI m/m	0.1%	0.2%	0.1%
13-Jun-19	CHF	Labor Rate	-	-0.75%	-0.75%
14-Jun-19	CNY	Industrial Production y/y	-	5.4%	5.4%
14-Jun-19	USD	Retail Sales m/m	-	0.7%	-0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.01	1.86	1.86	2.11	2.60
Germany	-0.64	-0.69	-0.61	-0.25	0.36
United Kingdom	0.67	0.60	0.64	0.86	1.46
Japan	-0.19	-0.21	-0.23	-0.12	0.36

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	60.20	(0.89)	Dow Jones	26,004.83	(0.17)
Brent	60.73	0.76	Nikkei 225	20,984.28	(0.69)
West Texas	51.55	0.41	S&P 500	2,879.84	(0.20)
Gold	1,336.76	0.27	KuwaitSE	5,891.94	(0.43)

Global Indices

All information has been sourced from Reuters.

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