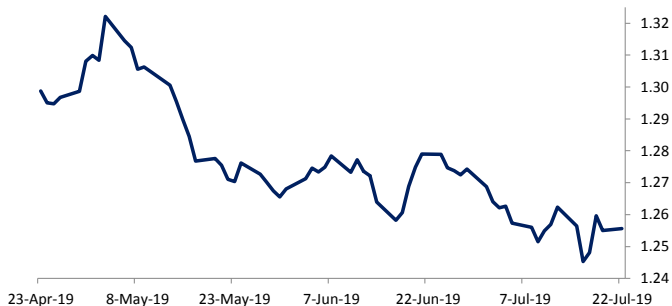


Highlights in the Foreign Exchange Market:

- Politicians from Ireland, Germany, and France are communicating with the next likely UK Prime Minister Boris Johnson, helping establish a link that could avoid a no-deal Brexit. Reports also quoted EU Brexit negotiator's readiness to discuss Irish backstop issues with the UK, which would increase the odds of a softer Brexit. Following a dip below the 1.24 level, the sterling recovered and is currently trading at the 1.2505 level.
- The UK has attempted to lower tensions after Iran seized a British oil tanker in the Strait of Hormuz on Friday, an incident that increased friction in a critical area. The UK has demanded the immediate release of the Stena Impero, threatening "serious consequences" while advising ships to avoid the area. In Washington, Trump claimed he will be "working with the UK" and suggested the latest developments justify his harsher approach toward Tehran. US sanctions are currently crippling Iran's oil exports, and the latest incident reduced hopes that the US and Iran would enter negotiations and soothe the strains. Oil remains in focus as prices continue to gain. Brent crude has risen 2.4% following the incident, currently trading at around 63.43.
- Just over a week after US President Donald Trump criticized China for not increasing its purchases of American farm products, some Chinese companies are applying for tariff exemptions. This illustrates the two economic power's implementation of the agreement reached when the leaders met in Japan last month. Meanwhile, as traders dialed back their expectations on the size of the Fed's easing later this month, stocks in Asia began the week on a cautious note following declines in the US session. Asian equities broadly fell, however China's new technology stock venue started off on a positive note as all 25 stocks rose on their debut, surging 197% though later slipped. In New York, the S&P 500 fell 1.34% to its current one week low of 2,976.61.

GBP/USD



S&P 500 Index



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1115	1.1175	1.1215	1.1270	1.1315
GBP	1.2395	1.2445	1.2503	1.2555	1.2605
JPY	106.95	107.45	107.97	108.50	109.00
CHF	0.9730	0.9785	0.9835	0.9885	0.9940

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1220	(2.21)	EUR/GBP	0.8971	(0.12)
GBP/USD	1.2500	(2.05)	GBP/JPY	134.63	(3.61)
USD/JPY	107.7000	(2.04)	EUR/JPY	120.86	(4.02)
USD/CHF	0.9816	0.15	EUR/CHF	1.1014	(2.02)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1202 level during Friday's trading session and currently trading at 1.1215 EUR/USD Resistance is at (1.1270-1.1315) any break above would take the pair up to 1.1420. Short term outlook is Bullish.

GBP/USD: The pair moved down to the 1.2475 level during Friday's trading session and currently trading at 1.2503 GBP/USD Resistance is at (1.2555-1.2605) 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	2.26	2.26	2.14	2.16
EUR	-0.44	-0.45	-0.41	-0.43	-0.34
GBP	0.69	0.72	0.76	0.80	0.86
CHF	-0.83	-0.82	-0.75	-0.72	-0.63
AUD	1.19	1.20	1.26	1.37	1.15

Economic Events

Date	Country	Event	Actual	Forecast	Previous
23-Jul-19	USD	Existing Home Sales		5.35M	5.34M
24-Jul-19	EUR	French Flash Services PMI		52.7	52.9
24-Jul-19	EUR	German Flash Manufacturing PMI		45.1	45
24-Jul-19	USD	Flash Manufacturing PMI		50.9	50.6
24-Jul-19	USD	Crude Oil Inventories			
25-Jul-19	EUR	Main Refinancing Rate		0.0%	0.0%
25-Jul-19	EUR	Monetary Policy Statement			
25-Jul-19	EUR	ECB Press Conference			
25-Jul-19	USD	Core Durable Goods Orders m/m		0.2%	0.4%
26-Jul-19	USD	Advance GDP q/q		1.8%	3.1%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.94	1.83	1.82	2.06	2.58
Germany	-0.73	-0.77	-0.69	-0.32	0.27
United Kingdom	0.55	0.49	0.50	0.73	1.36
Japan	-0.19	-0.21	-0.24	-0.14	0.37

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	64.31	0.41	Dow Jones	27,154.20	(0.25)
Brent	62.53	0.21	Nikkei 225	21,401.03	(0.31)
West Texas	56.41	0.28	S&P 500	2,976.61	(0.62)
Gold	1,425.56	0.05	KuwaitSE	6,057.15	(1.01)

Global Indices

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).