

Highlights in the Foreign Exchange Market:

- In their latest meeting, the Federal Reserve's rate setters said that they aim to keep interest rates unchanged even if they notice an improvement in global conditions. They said that they are sticking to their "patient" approach to policy. The minutes of the latest meeting held on April 30 and May 1 showed that policy makers engaged in an extended debate over the composition of the regulator's balance sheet in the longer term. Many of the participants said they wanted an increased scope to counter a future downturn by shifting from short dated bond holdings to long term debt, hoping that this would provide an extra boost in case of a future downturn. It is worth mentioning that the Fed is struggling to figure out why the US inflation has remained sluggish in spite of unemployment hovering over a half century low and the economy approaching a record long expansion.
- In the UK, Theresa May faced a cabinet revolt as ministers plotted behind the scenes yesterday forcing her to pull the parliamentary vote on her revamped deal. The Eurosceptic cabinet ministers met on Wednesday morning to discuss efforts to stop May from seeking parliamentary approval for her withdrawal agreement bill amid increasing calls by Conservative MPs for her to resign. The political uncertainty knocked down the pound, with the Cable now trading at its lowest level for the year at around 1.2606.
- Asian shares fell to a four-month low amid the escalation in trade conflict between the two largest economies in the world. The US is now a month from implementing its proposed tariffs on \$300 billion in Chinese imports after hiking existing tariffs on \$200 billion worth of goods. The next meeting between the leaders will occur in the G20 summit in Japan next month. Equities extended their losses, with the Shanghai's CSI 300 down 1.2%, while Japan's Nikkei lost 0.7% as technology shares were among the weakest performers. US stocks took further hits as the record-low Asian equities are likely to echo in Europe and the US as trade relations deteriorate. After dropping around 4 basis points, the yield on the 10-Year Treasury held at around 2.375%.



GBP/USD
YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1045	1.1110	1.1146	1.1195	1.1245
GBP	1.2525	1.2575	1.2620	1.2670	1.2725
JPY	109.25	109.75	110.24	110.75	111.25
CHF	0.9990	1.0040	1.0089	1.0130	1.0195

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1152	(2.86)	EUR/GBP	0.8805	(1.69)
GBP/USD	1.2661	(1.13)	GBP/JPY	139.71	(0.66)
USD/JPY	110.3400	0.03	EUR/JPY	123.03	(2.63)
USD/CHF	1.0095	2.80	EUR/CHF	1.1258	(0.10)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1180 level during Wednesday's trading session and currently trading at 1.1146 EUR/USD Support is at (1.1045-1.1110) any break below would take the pair down to 1.0955. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2719 level during Wednesday's trading session and currently trading at 1.2617 GBP/USD Support is at (1.2525-1.2575) any break below would take the pair down to 1.2475. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.13	2.44	2.69	2.94	3.13
USD	2.39	2.44	2.52	2.57	2.67
EUR	-0.45	-0.41	-0.36	-0.31	-0.22
GBP	0.70	0.73	0.80	0.90	1.05
CHF	-0.81	-0.79	-0.71	-0.66	-0.52
AUD	1.41	1.43	1.51	1.50	1.55

Economic Events

Date	Country	Event	Actual	Forecast	Previous
21-May-19	USD	Fed Chair Powell Speaks			
21-May-19	AUD	Monetary Policy Meeting Minutes			
21-May-19	GBP	Inflation Report Hearings			
22-May-19	NZD	Retail Sales q/q	0.7%	0.6%	1.7%
22-May-19	AUD	RBA Gov Lowe Speaks			
22-May-19	GBP	CPI y/y	2.1%	2.2%	1.9%
22-May-19	CAD	Core Retail Sales m/m	1.7%	0.8%	0.7%
22-May-19	USD	FOMC Meeting Minutes			
23-May-19	EUR	German Flash Manufacturing PMI		44.9	44.4
24-May-19	GBP	Retail Sales m/m			1.1%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.35	2.21	2.17	2.38	2.81
Germany	-0.60	-0.64	-0.51	-0.09	0.56
United Kingdom	0.71	0.67	0.75	0.99	1.56
Japan	-0.16	-0.16	-0.17	-0.07	0.51

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	70.47	(2.31)	Dow Jones	25,776.61	(0.39)
Brent	72.15	(3.00)	Nikkei 225	21,151.14	(0.62)
West Texas	63.30	(3.70)	S&P 500	2,856.27	(0.28)
Gold	1,274.61	0.10	KuwaitSE	5,613.06	0.10

Global Indices

All information has been sourced from Reuters.

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