



Highlights in the Foreign Exchange Market:

- The Federal Reserve has left its key interest rate unchanged despite renewed calls by President Trump to slash rates sharply. The Fed also signaled that it will be patient when it comes to its next move. The announcement came from the Chairman of the US Federal Reserve Jerome Powell, claiming that the Central Bank will keep its benchmark rates in the range of 2.25%-2.50% unchanged since March. The Federal Open Market Committee explained that the labor market is strong and that economic activities are continuing to rise at a solid rate. "All I can see is that we have an economy where the expansion is continuing, growth is at a healthy level, the labor market is strong, we see job creation, and we see wages moving up. Inflation is low which gives us the ability to be patient, and we do expect it to move up to 2%" said Powell.
- US hiring rose at a sharp manner in April, showing the latest sign of strength in the world's most important economy. According to the Labor Department report, non-farm payrolls rose 263,000 comfortably passing the median forecast of 190,000 from a survey of economists. Average hourly earnings on the other hand increased 0.2% m/m and 3.2% y/y, unchanging the annual pace from the previous month against expectations for a slight rise. Unemployment rate fell from 3.8% to 3.6% reaching the lowest reading since December 1969.
- In the UK, Theresa May's Conservative party saw its worst local election performance in over 20 years, losing 37 councils and more than 1,000 seats. The Labor party also suffered, losing 60 votes and crushing their hopes of winning 400 seats. Voters appear troubled with both parties' houses over their handling of Brexit as frustration builds. Talks will resume between Tories and Labor on Tuesday, with May focusing on a form of customs union with the EU which would see Britain foregoing an independent trade policy on goods. The elections have added pressure to Brexit decision-makers, illustrated by the joining of the two parties to resolve the issue. Mr Corbyn announced that there was now a "huge impetus" on every MP to get a Brexit deal done. The change in sentiment lifted the sterling to a one-month high of \$1.3176 on hopes that a deal would pass through parliament.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1010	1.1105	1.1201	1.1305	1.1410
GBP	1.2980	1.3075	1.3177	1.3280	1.3375
JPY	109.15	110.10	111.09	112.10	113.05
CHF	0.9965	1.0060	1.0164	1.0260	1.0355

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1200	(2.34)	EUR/GBP	0.8502	(5.41)
GBP/USD	1.3171	3.29	GBP/JPY	146.29	4.46
USD/JPY	111.0900	0.75	EUR/JPY	124.45	(1.40)
USD/CHF	1.0164	3.57	EUR/CHF	1.1383	1.15

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1176 level during Friday's trading session and closed for the week at 1.1200 EUR/USD Resistance is at (1.1305-1.1410) any break above would take the pair up to 1.1570. Short term outlook is Neutral, however a break under the 1.1111 will change the outlook to Bearish.

GBP/USD: The pair moved down to the 1.2988 level during Friday's trading session and closed for the week at 1.3177 GBP/USD Support is at (1.2980-1.3075) any break below would take the pair down to 1.2865. Short term outlook is Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.06	2.44	2.69	2.88	3.13
USD	2.41	2.47	2.56	2.62	2.75
EUR	-0.44	-0.42	-0.34	-0.30	-0.21
GBP	0.70	0.73	0.81	0.92	1.08
CHF	-0.81	-0.79	-0.72	-0.65	-0.52
AUD	1.55	1.05	1.50	1.75	1.55

Economic Events

Date	Country	Event	Actual	Forecast	Previous
6-May-19	CAD	BOC Gov Poloz Speaks			
7-May-19	AUD	Retail Sales m/m		0.2%	0.8%
7-May-19	NZD	Inflation Expectations q/q			2.0%
7-May-19	AUD	Cash Rate		1.25%	1.50%
8-May-19	NZD	Official Cash Rate		1.75%	1.75%
8-May-19	NZD	RBNZ Monetary Policy Statement			
9-May-19	CAD	Trade Balance			-2.9B
9-May-19	USD	Fed Chair Powell Speaks			
9-May-19	USD	PPI m/m		0.2%	0.6%
10-May-19	GBP	GDP m/m		0.0%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.39	2.33	2.33	2.53	2.92
Germany	-0.59	-0.62	-0.42	0.01	0.67
United Kingdom	0.79	0.79	0.94	1.21	1.73
Japan	-0.18	-0.17	-0.19	-0.07	0.55

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	71.40	0.45	Dow Jones	26,504.95	0.75
Brent	72.15	(3.00)	Nikkei 225	22,258.73	(0.22)
West Texas	63.30	(3.70)	S&P 500	2,945.64	0.96
Gold	1,278.94	0.68	KuwaitSE	5,707.49	1.09

Global Indices

All information has been sourced from Reuters.

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