

Highlights in the Foreign Exchange Market:

- The risk aversion theme is back in play mode and the truce between the two largest economies at the G20 summit has dissipated. President Trump sent commodity currencies and stock markets worldwide into the red-zone by hitting China with an additional 10% tariffs on \$300 billion in Chinese imports starting on September 1. Beyond the sell-off in risky assets, there are a number of significant consequences to Trump's announcement. Most importantly, the probability for further loosening of monetary conditions by central banks including the FED increased exponentially with the new tariffs.
- Looking at safe haven assets, the Japanese yen, Swiss franc, gold and U.S. government bonds witnessed robust demand as investors rushed towards safety. Gold gained 1.44% from last week's low and the yen soared around 2% in one day after the tariffs announcement. The 10-year treasury yield dropped around 21 basis points in the past five trading sessions as bond demand intensified.
- The American economy added 164,000 jobs last month from the prior reading of 224,000. The data for May and June were revised lower by 41,000. Employment has decelerated this year to an average monthly pace of about 170,000 from 223,000 in 2018, but that's still a solid performance. Wages surprised to the upside rising from 3.1% to 3.2% in annual terms and the unemployment rate remained constant at 3.7%. Overall, July's numbers indicate that the labor market is maintaining its energy during a record-long hiring streak.

US-10 Year Treasury Yield



Dollar Index YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0915	1.1025	1.1107	1.1215	1.1305
GBP	1.1950	1.2055	1.2153	1.2255	1.2350
JPY	104.60	105.65	106.58	107.60	108.65
CHF	0.9620	0.9725	0.9820	0.9925	1.0025

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1085	-3.18	EUR/GBP	0.9139	-1.60
GBP/USD	1.2128	-4.64	GBP/JPY	130.22	7.89
USD/JPY	107.34	2.91	EUR/JPY	119.00	6.28
USD/CHF	0.9904	-0.08	EUR/CHF	1.10	3.14

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1068 level during Friday's trading session and closed for the week at 1.1107 EUR/USD Support is at (1.1025-1.1065) any break below would take the pair down to 1.0925. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2089 level during Friday's trading session and closed for the week at 1.2153 GBP/USD Support is at (1.2055-1.2095) any break below would take the pair down to 1.1950. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	2.56	2.75	3.00	3.19
USD	2.18	2.23	2.24	2.13	2.12
EUR	-0.46	-0.43	-0.41	-0.42	-0.35
GBP	0.69	0.71	0.77	0.81	0.85
CHF	-0.84	-0.82	-0.77	-0.76	-0.64
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
5-Aug-19	GBP	Services PMI		50.4	50.2
5-Aug-19	USD	ISM Non-Manufacturing PMI		55.5	55.1
6-Aug-19	USD	FOMC Member Bullard Speaks			
8-Aug-19	CNY	Trade Balance		310B	345B
9-Aug-19	AUD	RBA Gov Lowe Speaks			
9-Aug-19	GBP	GDP m/m		0.1%	0.3%
9-Aug-19	GBP	Manufacturing Production m/m		-0.1%	1.4%
9-Aug-19	GBP	Prelim GDP q/q		0.0%	0.5%
9-Aug-19	USD	Core PPI m/m			0.3%
9-Aug-19	USD	PPI m/m			0.1%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	1.71	1.67	1.66	1.85	2.38
Germany	-0.80	-0.84	-0.74	-0.50	0.00
United Kingdom	0.41	0.32	0.33	0.55	1.24
Japan	-0.22	-0.23	-0.26	-0.18	0.31

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	62.57	-3.89	Dow Jones	26,485.01	-0.37
Brent	61.89	2.30	Nikkei 225	21,087.16	-2.11
West Texas	55.66	3.17	S&P 500	2,932.05	-0.73
Gold	1,440.83	-0.30	KuwaitSE	4,892.23	0.22

Global Indices

All information has been sourced from Bloomberg

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