

#### USD/JPY

3-Month Performance



#### S&P 500

3-Month Performance



#### Highlights in the Foreign Exchange Market:

- In a continuation of President Donald Trump's attack on the Federal Reserve, Trump tweeted on Monday saying that the central bank "doesn't know what it is doing." The US President has been a vocal critic of the Fed's monetary policy and has repeatedly called for the regulator to lower interest rates. Despite of the recent dovish shift of the Fed's tone in the recent months, and with high expectations of a rate cut this summer in response to US-China trade tensions alongside a slowing global growth, Trump claims that policymakers "blew it!" His comments said that the Fed raised rates far too fast, and according to him that if the Fed has "gotten it right," we would have seen "Thousands of points higher on the Dow, and GDP in the 4's or even 5's." The series of dovish turns by the central bank had helped push US stocks to record high last week, while the 10-year Treasury yield fell below 2% for the first time since 2016.
- In a World Trade Organization report published on Monday, the organization said that new trade barriers imposed by G20 economies threaten to crimp the global economy. In the period between mid-October and mid-May, G20 nations implemented 20 new trade-restrictive measures including higher tariffs, import bans, and new customs procedures for exports. Those measures are affecting goods worth \$335.9bn, the second highest figure recorded since the WTO began tracking it in May 2012. The WTO also noted that the size of restrictive trade policies has spiked in the last two reporting periods, with the prior period being the highest on record at \$480.9bn. The report arrived days before the G20 summit, where President Donald Trump and his Chinese counterpart Xi Jinping are scheduled to meet in an effort to put an end to a long running trade dispute.
- Sentiment remains fragile ahead of the G-20 summit and Fed chairman Jerome Powell's monetary policy speech today. The dollar continued to lose ground amid a dovish Fed, falling to 95.853. The safe-haven Japanese yen strengthened to 106.80 per US dollar, and gold rose to 1,436.

#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1305	1.1355	1.1407	1.1455	1.1505
GBP	1.2645	1.2695	1.2747	1.2805	1.2855
JPY	105.85	106.25	106.88	107.40	107.95
CHF	0.9600	0.9650	0.9700	0.9755	0.9805

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1396	(0.56)	EUR/GBP	0.8944	(0.45)
GBP/USD	1.2739	(0.04)	GBP/JPY	136.65	(2.67)
USD/JPY	107.2800	(3.07)	EUR/JPY	122.28	(3.41)
USD/CHF	0.9718	(1.06)	EUR/CHF	1.1076	(1.60)

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1403 level during Tuesday's morning trading session and currently trading at 1.1407 EUR/USD Resistance is at (1.1455-1.1505) any break above would take the pair up to 1.1585. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2766 level during Tuesday's morning trading session and currently trading at 1.2747 GBP/USD Resistance is at (1.2805-1.2855) any break above would take the pair up to 1.3040. 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	2.38	2.40	2.33	2.21	2.18
EUR	-0.44	-0.42	-0.38	-0.38	-0.29
GBP	0.69	0.72	0.77	0.86	0.96
CHF	-0.84	-0.81	-0.73	-0.68	-0.58
AUD	1.45	1.29	1.10	1.23	1.15

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
24-Jun-19	EUR	German Ifo Business Climate	97.4	97.4	97.9
25-Jun-19	ALL	Opec Meetings			
25-Jun-19	USD	CB Consumer Confidence		132	134.1
25-Jun-19	USD	Fed Chair Powell Speaks			
26-Jun-19	GBP	Inflation Report Hearings			
26-Jun-19	USD	Core Durable Goods		0.1%	0.0%
27-Jun-19	USD	Final GDP q/q		3.1%	3.1%
28-Jun-19	ALL	G20 Meetings			
28-Jun-19	GBP	Final GDP q/q		0.5%	0.5%
28-Jun-19	USD	Core PCE Price Index		0.2%	0.2%

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.92	1.71	1.72	1.99	2.52
Germany	-0.73	-0.75	-0.65	-0.31	0.26
United Kingdom	0.66	0.58	0.60	0.81	1.42
Japan	-0.22	-0.24	-0.27	-0.17	0.32

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	63.97	(1.25)	Dow Jones	26,727.54	0.03
Brent	64.32	(0.83)	Nikkei 225	21,147.24	(0.65)
West Texas	57.34	(0.97)	S&P 500	2,945.35	(0.17)
Gold	1,430.91	0.83	KuwaitSE	5,809.95	0.18

#### Global Indices

All information has been sourced from Reuters.

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).