

Highlights in the Foreign Exchange Market:

- US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin spoke on the phone with their Chinese counterparts after their presidents agreed to resume trade talks last month. On June 29, President Donald Trump and Chinese leader Xi Jinping agreed to halt their almost year-long trade war after meeting at the G20 leaders' summit in Japan. No time frame or deadline was given, while US government officials say both sides will continue these talks as appropriate on trade issues. As of today, a 25% duty is placed on about \$260 billion of Chinese products.
- As the markets brace for Federal Reserve chairman Jerome Powell's testimony, US stocks closed higher and the greenback strengthened. Powell has been pressured for months by President Trump to cut rates. Still, he will likely repeat the language from the Fed's June statement that it will "act as appropriate" to sustain the economic expansion – reinforcing bets for a rate cut at the July 30-31 meeting. Markets have priced in rate cuts at a 98.5% probability of a 25 basis points cut by the end of this month.
- Wall Street was mixed as the S&P rose 0.1% following a 0.4% drop and tech-heavy Nasdaq Composite rose 0.5%. The Dow Jones Industrial was down 0.1%, dropping for three consecutive days. The dollar held at around a three week high at 97.5, around 1.6% above its June closing low. Meanwhile, the sterling touched its lowest levels of 2019 at around 1.2454 as investors fear the tone of the Conservative party's leadership contest in which the next prime minister will be chosen.



GBP/USD



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1110	1.1160	1.1207	1.1260	1.1310
GBP	1.2350	1.2400	1.2450	1.2500	1.2550
JPY	107.80	108.25	108.87	109.35	109.75
CHF	0.9835	0.9885	0.9933	0.9985	1.0035

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.1206	(2.27)
GBP/USD	1.2465	(2.34)
USD/JPY	108.8400	(1.26)
USD/CHF	0.9934	1.16

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8991	0.13
GBP/JPY	135.69	(3.13)
EUR/JPY	122.01	(3.33)
EUR/CHF	1.1135	(1.12)

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1192 level during Tuesday's trading session and currently trading at 1.1207 EUR/USD Support is at (1.1110-1.1160) any break below would take the pair down to 1.0950. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2438 level during Tuesday's trading session and currently trading at 1.2451 GBP/USD Support is at (1.2350-1.2400) any break below would take the pair down to 1.2115. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.19	2.50	2.69	2.94	3.13
USD	2.38	2.37	2.34	2.26	2.27
EUR	-0.44	-0.43	-0.40	-0.39	-0.31
GBP	0.69	0.72	0.77	0.82	0.89
CHF	-0.83	-0.81	-0.75	-0.70	-0.59
AUD	1.00	1.22	1.25	1.15	1.10

Economic Events

Date	Country	Event	Actual	Forecast	Previous
9-Jul-19	USD	Fed Chair Powell Speaks			
9-Jul-19	USD	FOMC Member Bullard Speaks			
9-Jul-19	USD	FOMC Member Quarles Speaks			
10-Jul-19	GBP	GDP m/m		0.3%	-0.4%
10-Jul-19	GBP	Manufacturing Production m/m		2.2%	-3.9%
10-Jul-19	USD	Fed Chair Powell Testifies			
10-Jul-19	USD	FOMC Meeting Minutes			
11-Jul-19	GBP	BOE Financial Stability Report			
11-Jul-19	USD	CPI m/m		0.0%	0.1%
11-Jul-19	USD	PPI m/m		0.1%	0.1%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.98	1.91	1.89	2.08	2.56
Germany	-0.71	-0.75	-0.67	-0.34	0.25
United Kingdom	0.60	0.53	0.52	0.72	1.35
Japan	-0.19	-0.19	-0.22	-0.13	0.36

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	65.66	0.74	Dow Jones	26,783.49	(0.08)
Brent	62.53	0.21	Nikkei 225	21,549.47	(0.07)
West Texas	56.41	0.28	S&P 500	2,979.63	0.12
Gold	1,393.50	(0.31)	KuwaitSE	6,096.03	1.31

All information has been sourced from Reuters.

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