

Highlights in the Foreign Exchange Market:

- The European Central Bank President Mario Draghi signaled in a press conference in Portugal that he is prepared to cut interest rates or buy more Eurozone debt if growth fails to pick up. The signal laid the ground to a potential re-opening of the bank's controversial quantitative easing program and resulted in a drop to the Euro where it reached a low of 1.1179 against the Dollar during yesterday's session. Government bonds reacted with sharp rises around Europe as German government bonds hit a new record with the 10-year yield sinking 0.07 percentage points on the day to -0.32%, while French 10-year bond turned into negative yields for the first time after it fell 0.1 percentage points. The non-euro member Swedish 10-year bond also sunk past the 0% yield for the first time as it dropped 0.027 percentage points. Italy's bonds that were affected by a politically driven selloff have also enjoyed a rally after the announcement, with the 10-year yield falling 0.17 percentage points to 2.112%. European equities also rose as the German DAX index rose up 2% on the day.
- US president Donald Trump had tweeted accusing Mario Draghi of unfairly manipulating the Euro after the dovish comments of the latter. He wrote on Twitter "Mario Draghi just announced more stimulus could come, which immediately dropped the euro against the dollar, making it unfairly easier for them to compete against the USA. They have been getting away with this for years, along with China and others," suggesting that Europe was engaging in currency manipulation. In addition, he commented on the rise in European share prices stating that it was "very unfair to the United States." Mario Draghi replied saying that the Central Bank has its mandate which is defined as targeting a rate of inflation close but below 2% over the medium term, and then continued to say that they are ready to use all the instruments that are necessary to fill this mandate.
- Looking at equities, the S&P 500 is currently trading around 0.95% lower than its record high at around the 2,917.75 level. The Dow Jones Industrial Average is just 0.7% short of its peak, while the Nasdaq Composite had a rougher time, down around 2.6%. An indication that the US Federal Reserve may loosen monetary policy generally prompts a solid rally for Wall Street.

EUR/USD
3 Month Performance



S&P 500 Index
3 Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1110	1.1150	1.1190	1.1235	1.1295
GBP	1.2455	1.2505	1.2557	1.2605	1.2660
JPY	107.35	107.85	108.35	108.85	109.35
CHF	0.9905	0.9955	1.0004	1.0055	1.0105

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1191	(2.44)	EUR/GBP	0.8915	(0.80)
GBP/USD	1.2556	(1.57)	GBP/JPY	136.17	(2.88)
USD/JPY	108.4400	(1.77)	EUR/JPY	121.38	(3.96)
USD/CHF	1.0001	1.93	EUR/CHF	1.1196	(0.52)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1179 level during Tuesday's trading session and currently trading at 1.1190 EUR/USD support is at (1.1110-1.1150) any break below would take the pair down to 1.0950. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2564 level during Tuesday's trading session and currently trading at 1.2557 GBP/USD Support is at (1.2455-1.2505) any break below would take the pair down to 1.2355 Short term outlook is Bearish.

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	2.36	2.38	2.39	2.30	2.26
EUR	-0.44	-0.42	-0.37	-0.37	-0.28
GBP	0.69	0.72	0.78	0.87	0.97
CHF	-0.81	-0.80	-0.71	-0.67	-0.57
AUD	1.25	1.40	1.15	1.38	1.40

Economic Events

Date	Country	Event	Actual	Forecast	Previous
17-Jun-19	EUR	ECB President Draghi Speaks			
18-Jun-19	AUD	Monetary Policy Meeting Minutes			
18-Jun-19	GBP	BOE Gov Carney Speaks			
19-Jun-19	GBP	CPI y/y		2.0%	2.1%
19-Jun-19	CAD	CPI m/m		0.1%	0.4%
19-Jun-19	USD	FOMC Statement			
19-Jun-19	USD	Federal Funds Rate		<2.50%	<2.50%
20-Jun-19	NZD	GDP q/q			0.6%
20-Jun-19	JPY	Monetary Policy Statement			
20-Jun-19	GBP	Retail Sales m/m		-0.5%	0.0%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.05	1.87	1.84	2.06	2.55
Germany	-0.70	-0.76	-0.69	-0.32	0.27
United Kingdom	0.63	0.55	0.59	0.80	1.42
Japan	-0.21	-0.23	-0.25	-0.15	0.33

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	62.16	3.02	Dow Jones	26,465.54	1.35
Brent	61.99	(5.11)	Nikkei 225	21,329.73	1.70
West Texas	53.95	0.05	S&P 500	2,917.75	0.97
Gold	1,346.16	0.01	KuwaitSE	5,779.97	(0.71)

All information has been sourced from Reuters.

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