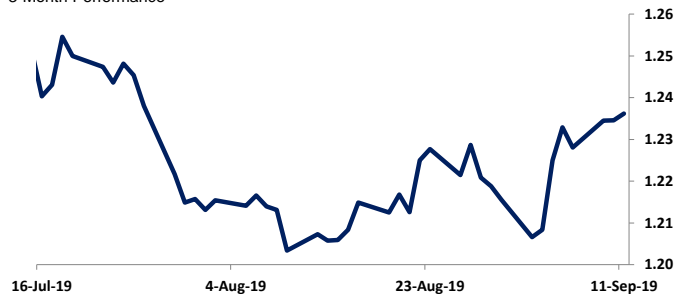


Highlights in the Foreign Exchange Market:

- The UK labor market has maintained its resilience amid the Brexit chaos as basic pay increased faster than expected. Wage growth including bonuses has accelerated to its highest level since 2008 at 4%, mainly due to the strength seen in construction and financial services. The employment rate stood at 76.1% as the number of people in work rose by 31,000 in the three months to July. Thus, the jobless rate returned to its lowest level since the 1970s and well above inflation at 3.8%. Wages have consistently risen faster than inflation for over a year and a half, granting financial security supporting consumer confidence in the UK. A tight labor market is pressuring employers to increase their salaries; however there were still signs that the jobs market is slightly weary under the global economic pressure. The Sterling strengthened by 2.4% against the US dollar from a week ago, currently trading at an over one-month high at 1.2360.
- China's CPI has reportedly risen 0.7% in August, up from the 0.4% seen in July. On an annual basis, the figure gained 2.8%, unchanged from the prior month and the largest increase since early last year. The PPI figure – a gauge of corporate profitability – fell 0.8% y/y, far beyond the 0.3% contraction seen in July. Producer prices are being hit by Beijing's ongoing trade war with the US, illustrated by the sharp drop in foreign direct investment and imports.
- US stocks were mostly flat on Tuesday as a decline in tech shares weighed on the market. The S&P 500 closed slightly higher in yesterday's trading from a day prior, and is up around 1.7% from a week ago. Meanwhile, investors sold off US government debt, pushing yields higher as the 10-year Treasury note rose to the highest level in a month at 1.7212. Looking at commodities, Brent crude rose after Saudi Arabia's new energy minister signaled production cuts will remain in place, currently at the 62.91 level from its September low of 57.23.

GBP/USD
3-Month Performance



Brent Crude
3-Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0945	1.0995	1.1054	1.1095	1.1145
GBP	1.2255	1.2305	1.2354	1.2405	1.2455
JPY	106.70	107.20	107.72	108.35	108.95
CHF	0.9825	0.9870	0.9917	0.9975	1.0025

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.1043	(3.67)
GBP/USD	1.2346	(3.09)
USD/JPY	107.5300	(2.22)
USD/CHF	0.9919	1.07

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8939	(0.57)
GBP/JPY	132.78	(4.81)
EUR/JPY	118.75	(5.65)
EUR/CHF	1.0953	(2.61)

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1059 level during Tuesday's trading session and currently trading at 1.1054. EUR/USD Support is at (1.0945-1.0995) any break below would take the pair down to 1.0830. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2375 level during Tuesday's trading session and currently trading at 1.2354. GBP/USD Resistance is at (1.2405-1.2455) any break above would take the pair up to 1.2545. Short term outlook is Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.31	2.63	2.81	3.00	3.25
USD	2.13	2.04	2.13	2.04	1.97
EUR	-0.47	-0.51	-0.47	-0.46	-0.39
GBP	0.69	0.71	0.77	0.82	0.90
CHF	-0.84	-0.90	-0.86	-0.83	-0.74
AUD	0.73	1.10	1.12	1.22	1.00

Economic Events

Date	Country	Event	Actual	Forecast	Previous
9-Sep-19	GBP	GDP m/m	0.3%	0.1%	0.0%
10-Sep-19	GBP	Average Earnings Index 3m/y	4.0%	3.7%	3.8%
10-Sep-19	CNY	CPI y/y	2.8%	2.6%	2.8%
11-Sep-19	USD	Crude Oil Inventories			-4.8M
12-Sep-19	EUR	Main Refinancing Rate		0.0%	0.0%
12-Sep-19	EUR	Monetary Policy Statement			
12-Sep-19	EUR	ECB Press Conference			
12-Sep-19	USD	CPI m/m		0.1%	0.3%
12-Sep-19	USD	Core CPI m/m		0.2%	0.3%
13-Sep-19	USD	Retail Sales m/m		0.20%	0.7%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.80	1.66	1.57	1.72	2.20
Germany	-0.76	-0.82	-0.85	-0.55	0.02
United Kingdom	0.53	0.45	0.43	0.63	1.12
Japan	-0.27	-0.28	-0.30	-0.21	0.28

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	62.66	(0.57)	Dow Jones	26,909.43	0.28
Brent	59.05	(0.20)	Nikkei 225	21,592.78	0.94
West Texas	57.79	0.39	S&P 500	2,979.39	0.03
Gold	1,494.17	0.58	KuwaitSE	5,868.02	0.08

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).