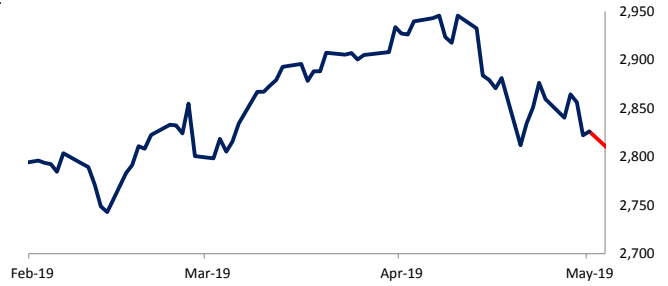


S&P 500
3-Month Performance



Highlights in the Foreign Exchange Market:

- Global stocks declined last week as the latest exchanges between Washington and its trade rivals signaled a heightened risk of a prolonged trade war, fueling investor concerns about the impact on global economic growth. The Dow Jones and S&P both fell -1.8%, while the Eurostoxx 50 and Japanese Nikkei 225 were lower by around 3%. Expectedly, there was a flight towards safe haven government bonds. European bond yields fell to record lows including the German 10 year treasury which actually dipped into negative territory earlier in the month. The US dollar also gained strength as bond investors looked for higher returns in the US. The US 10 year treasury yield fell to a two year low of 2.15% with the fresh influx of buyers. The yield curve is now inversed with the shorter date bonds of 1 to 12 months now yielding higher than the 10.
- In China, factory activities shrank more than expected in May adding pressure on Beijing to roll out more stimuli to support an economy in the middle of a bruising trade war with the United States. China's exports unexpectedly fell in April on a sharp drop in shipments to the United States, while industrial output and retail sales also showed surprisingly weak growth last month. Furthermore, earnings at China's key manufacturing sector have been declining since November last year, with the exception of March, as both domestic and global demand slackened. The official Purchasing Managers' Index fell to 49.4 in May from 50.1 in April. Readings below the 50-point mark indicate contraction on a monthly basis.
- The trade worries also weighed on oil as expectations of lower demand from less global trade dropped prices 7% over the week. The trade concerns were so profound that prices dropped despite lower supplies in the market due to Iranian sanctions.

China Manufacturing PMI
1-Year Performance

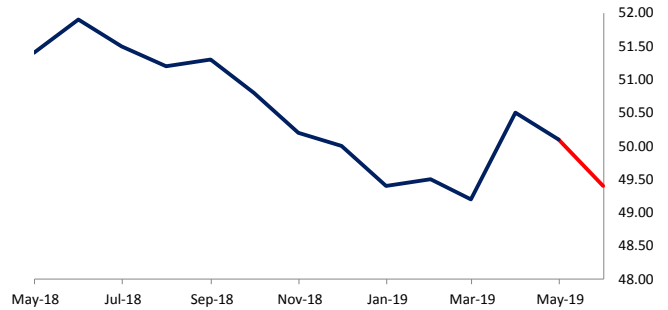


Chart Points and Other Technical Input

| CCY | 2nd Support | 1st Support | Spot | 1st Resistance | 2nd Resistance |
|-----|-------------|-------------|--------|----------------|----------------|
| EUR | 1.0970 | 1.1075 | 1.1167 | 1.1265 | 1.1375 |
| GBP | 1.2445 | 1.2555 | 1.2642 | 1.2740 | 1.2845 |
| JPY | 106.35 | 107.25 | 108.25 | 109.30 | 110.25 |
| CHF | 0.9810 | 0.9915 | 1.0008 | 1.0105 | 1.0195 |

Major Currencies

| CCY | Closing Rate | YTD % | CCY | Closing Rate | YTD % |
|---------|--------------|--------|---------|--------------|--------|
| EUR/USD | 1.1167 | (2.63) | EUR/GBP | 0.8849 | (1.51) |
| GBP/USD | 1.2631 | (0.90) | GBP/JPY | 136.78 | (2.33) |
| USD/JPY | 108.2600 | (1.81) | EUR/JPY | 120.93 | (4.19) |
| USD/CHF | 1.0008 | 1.98 | EUR/CHF | 1.1179 | (0.67) |

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1115 level during Thursday's trading session and closed for the week at 1.1167 EUR/USD Resistance is at (1.1265-1.1375) any break above would take the pair up to 1.1450. Short term outlook is Bullish.

GBP/USD: The pair moved down to the 1.2558 level during Friday's trading session and closed for the week at 1.2642 GBP/USD Resistance is at (1.2740-1.2845) any break above would take the pair up to 1.2920. 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 | 2.39 | 2.43 | 2.50 | 2.52 | 2.51 |
| EUR | -0.45 | -0.42 | -0.34 | -0.32 | -0.23 |
| GBP | 0.70 | 0.73 | 0.80 | 0.87 | 1.00 |
| CHF | -0.82 | -0.81 | -0.71 | -0.66 | -0.53 |
| AUD | 1.13 | 1.25 | 1.20 | 1.30 | 1.40 |

Economic Events

| Date | Country | Event | Actual | Forecast | Previous |
|----------|---------|----------------------------|--------|----------|----------|
| 3-Jun-19 | CNY | Caixin Manufacturing PMI | - | 50.0 | 50.2 |
| 3-Jun-19 | GBP | Manufacturing PMI | - | 52.5 | 53.1 |
| 3-Jun-19 | USD | SM Manufacturing PMI | - | 53.0 | 52.8 |
| 4-Jun-19 | AUD | Retail Sales m/m | - | 0.2% | 0.3% |
| 4-Jun-19 | AUD | Cash Rate | - | 1.25% | 1.50% |
| 4-Jun-19 | EUR | CPI Flash Estimate y/y | - | 1.4% | 1.7% |
| 5-Jun-19 | AUD | GDP q/q | - | 0.4% | 0.2% |
| 5-Jun-19 | USD | ISM Non-Manufacturing PMI | - | 55.6 | 55.5 |
| 6-Jun-19 | EUR | Main Refinancing Rate | - | 0.00% | 0.00% |
| 7-Jun-19 | USD | Non-Farm Employment Change | - | 180K | 263K |

Government Yields

| Country | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|----------------|--------|--------|--------|---------|---------|
| United States | 2.20 | 1.92 | 1.91 | 2.13 | 2.57 |
| Germany | -0.62 | -0.69 | -0.59 | -0.21 | 0.42 |
| United Kingdom | 0.64 | 0.59 | 0.63 | 0.89 | 1.47 |
| Japan | -0.17 | -0.18 | -0.20 | -0.10 | 0.45 |

Commodities

| Index | Last Price | % Change | Index | Last Price | % Change |
|------------|------------|----------|------------|------------|----------|
| Kuwait Oil | 62.33 | (2.73) | Dow Jones | 24,815.04 | (1.41) |
| Brent | 61.99 | (5.11) | Nikkei 225 | 20,601.19 | (1.63) |
| West Texas | 0.00 | 0.00 | S&P 500 | 2,752.06 | (1.32) |
| Gold | 1,305.25 | 1.30 | KuwaitSE | 5,731.67 | 0.38 |

All information has been sourced from Reuters.

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