

**Highlights in the Foreign Exchange Market:**

- In a semiannual monetary policy testimony, the Federal Reserve Chairman backed financial markets' expectation of a cut to the overnight rate on the July 30-31 monetary meeting. The Chairman based his case on mounting risks to the US economic outlook such as concerns about trade policy and a weak global economy. Chairman Powell stated that "economic momentum appears to have slowed in some major foreign economies and that weakness could affect the US economy." In addition, Powell offered support for monetary easing to counteract the "risk that weak inflation will be even more persistent than we currently anticipate." Just back in May Powell blamed the stubbornly weak inflation on transitory factors. The FED's main objective is to maintain an inflation rate of 2%, which is currently at 1.6%.
- In the FX sphere, the US dollar was bashed downwards by the dovish comments of Chairman Powell. The dollar index lost nearly 0.6% of its value against a basket of currencies, currently trading at a 5-day low of 96.867. The 2-year US bond yield sensitive to changes in Fed policy, fell more than 7 basis points to 1.81%. The dollar's weakness paved the way for other major currencies to take stride. The best two performers in the currencies markets were the New Zealand and Australian dollar, gaining 0.70% and 0.53% respectively. Against the yen, the dollar depreciated by 0.8% to current low of 107.95.
- Looking at equities, the S&P 500 had briefly topped the 3,000 level for the first time after Powell signaled an inclination to lower rates. Shares in Asia rose with South Korea and Hong Kong stocks outperforming. Gold prices also climbed above the \$1,400 an ounce, currently trading at around 1,424.40.

**US Dollar Index**



**S&P 500 Index**



**Chart Points and Other Technical Input**

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1170	1.1225	<b>1.1274</b>	1.1325	1.1375
GBP	1.2430	1.2470	<b>1.2535</b>	1.2580	1.2635
JPY	106.95	107.45	<b>107.95</b>	108.45	109.90
CHF	0.9755	0.9810	<b>0.9859</b>	0.9910	0.9960

**Major Currencies**

CCY	Closing Rate	YTD %
EUR/USD	1.1249	(1.73)
GBP/USD	1.2499	(1.79)
USD/JPY	108.4600	(2.08)
USD/CHF	0.9894	0.47

**Major Crosses**

CCY	Closing Rate	YTD %
EUR/GBP	0.8999	0.13
GBP/JPY	135.58	(3.39)
EUR/JPY	122.01	(3.57)
EUR/CHF	1.1131	(1.22)

**Brief Technical Commentary**

EUR/USD: The pair moved up to the 1.1263 level during Wednesday's trading session and currently trading at 1.1274 EUR/USD Resistance is at (1.1325-1.1375) any break above would take the pair up to 1.1415. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2520 level during Wednesday's trading session and currently trading at 1.2530 GBP/USD Resistance is at (1.2580-1.2635) any break above would take the pair up to 1.2785. Short term outlook is Bullish.

**Local & Global Rates**

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.13	2.50	2.69	2.94	3.13
USD	2.38	2.37	2.34	2.26	2.29
EUR	-0.44	-0.43	-0.40	-0.39	-0.30
GBP	0.68	0.72	0.78	0.82	0.91
CHF	-0.82	-0.81	-0.75	-0.70	-0.58
AUD	1.15	1.05	1.15	1.15	1.25

**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%	0.3%	-0.4%
10-Jul-19	GBP	Manufacturing Production m/m	1.4%	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	1.93	1.81	1.81	2.04	2.56
Germany	-0.71	-0.76	-0.66	-0.31	0.30
United Kingdom	0.61	0.55	0.57	0.76	1.39
Japan	-0.19	-0.20	-0.23	-0.14	0.35

**Commodities**

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	67.56	1.92	Dow Jones	26,860.20	0.29
Brent	62.53	0.21	Nikkei 225	21,639.88	(0.49)
West Texas	56.41	0.28	S&P 500	2,993.07	0.45
Gold	1,422.53	0.26	KuwaitSE	6,126.09	0.49

All information has been sourced from Reuters.

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