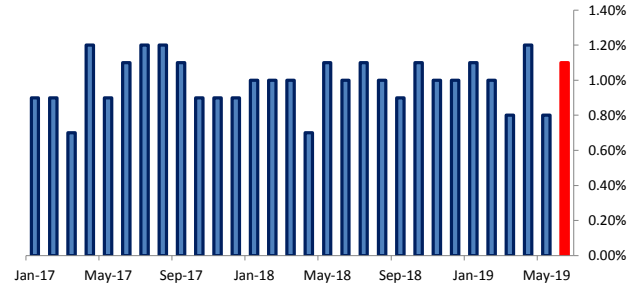


Highlights in the Foreign Exchange Market:

- Hopes of a US-China trade deal resurfaced last week after the leaders of the two biggest economies agreed to resume negotiations, paving the way for Asian equities to rally today. A meeting was held between US President Donald Trump and his Chinese counterpart Xi Jinping on the sidelines of the G20 meeting on Saturday, Trump pledged not to introduce more tariffs on Chinese goods and softened his stance on the telecom maker Huawei. China's CSI 300 index of major Shanghai and Shenzhen listed stocks rallied 2.5% in morning trading, and S&P 500 futures tipped US stocks to open 0.8% higher. Haven assets lacked luster with gold falling 1.2% and the Japanese yen shedding 0.5% reaching 108.38 against the US Dollar. The inversely moving yield on the 10-year US Treasuries rose by 3 basis points.
- The President of the European Central Bank, Mario Draghi, made it pretty clear in the last ECB meeting that if inflation fails to converge sustainably towards the ECB's target, then "additional stimulus will be required." Annual euro zone inflation for June remained flat and in line with expectations at 1.2%, having stood above 2% late last year. The more significant core figure however, which removes volatile elements such as energy and food, actually picked up 1.1% from 0.8% last month giving hope for a pickup as the ECB expected. It is yet unclear what the ECB's response will be should they decide to ease further. With rates already in negative territory, economist expectations are for a return of quantitative easing.
- In the commodities complex, oil prices rose more than 9% last week supported by various events. First, industry data showed U.S. crude stockpiles fell more than expected. Second, Asia's crude oil imports from Iran fell in May to the lowest in five years after China and India wound down purchases amid U.S. sanctions, while Japan and South Korea halted imports. Finally, on the supply side, markets were worried a potential U.S.-Iran conflict could affect oil supply from the middle east while OPEC members are expected to renew their output curb this week. The aforementioned events show an incoming increase demand for oil with the potential of limited supply driving prices higher. Brent Crude closed out the week at \$64.74.



Brent Crude Oil YTD Performance

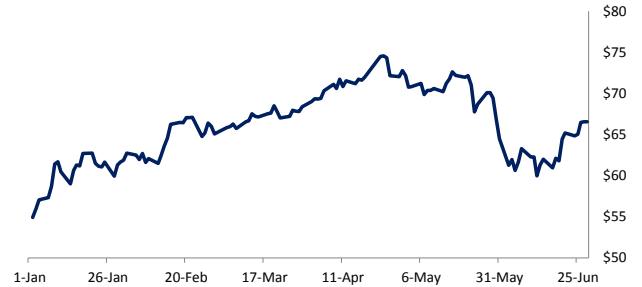


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1220	1.1270	1.1322	1.1375	1.1425
GBP	1.2575	1.2620	1.2679	1.2725	1.2780
JPY	107.25	107.70	108.30	108.85	109.35
CHF	0.9725	0.9770	0.9830	0.9880	0.9930

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1368	(1.24)	EUR/GBP	0.8953	(0.56)
GBP/USD	1.2693	(0.63)	GBP/JPY	136.99	(1.88)
USD/JPY	107.8800	(1.70)	EUR/JPY	122.65	(2.73)
USD/CHF	0.9760	0.22	EUR/CHF	1.1097	(1.00)

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1393 level during Friday's trading session and currently trading at 1.1322 EUR/USD Support is at (1.1220-1.1270) any break below would take the pair down to 1.1180. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2733 level during Friday's trading session and currently trading at 1.2620 GBP/USD Support is at (1.2575-1.2620) any break below would take the pair down to 1.2500. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.13	2.50	2.69	2.88	3.13
USD	2.37	2.40	2.32	2.20	2.18
EUR	-0.45	-0.43	-0.39	-0.39	-0.30
GBP	0.69	0.72	0.77	0.85	0.95
CHF	-0.83	-0.81	-0.73	-0.69	-0.59
AUD	1.20	1.26	1.27	1.37	1.29

Economic Events

Date	Country	Event	Actual	Forecast	Previous
30-Jun-19	CNY	Manufacturing PMI	49.4	49.5	49.4
1-Jul-19	GBP	Manufacturing PMI		49.5	49.4
1-Jul-19	USD	ISM Manufacturing PMI		51.3	52.1
1-Jul-19	ALL	Opec Meetings			
2-Jul-19	AUD	RBA Rate Statement			
2-Jul-19	GBP	Services PMI		51.0	51.0
2-Jul-19	USD	ISM Non Manufacturing PMI		56.1	56.9
5-Jul-19	USD	Average Hourly Earnings		0.3%	0.2%
5-Jul-19	USD	Non-Farm Employment		164K	75K
5-Jul-19	USD	Unemployment Rate		3.6%	3.6%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.93	1.79	1.80	2.04	2.55
Germany	-0.69	-0.76	-0.66	-0.32	0.28
United Kingdom	0.69	0.60	0.63	0.84	1.48
Japan	-0.21	-0.23	-0.25	-0.15	0.37

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	67.88	2.93	Dow Jones	26,599.96	0.28
Brent	66.34	2.47	Nikkei 225	21,717.73	2.08
West Texas	59.86	1.39	S&P 500	2,941.76	0.58
Gold	1,385.14	(1.70)	KuwaitSE	5,838.97	0.34

All information has been sourced from Reuters.

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