

Highlights in the Foreign Exchange Market:

- Most Asian equity indices are persistently trading in a negative manner today as the never ending trade tension subdues the global economy. The MSCI Asia Pacific is the worst performing index today, down by 0.27%. On the other side of the pacific, US stock markets were closed on Monday due to the Labor Day holiday. However, US equity futures indicate that markets will open in the red zone today as Chinese and American officials struggled to schedule a planned meeting in September to continue trade talks.
- In the FX Sphere, the single currency (EUR) has tumbled drastically during the first session of the week. The currency has been pressured by the tit-for-tat tariffs war, which is elevating worries over the economic outlook for the export-focused European economy. The EUR/USD has fallen to more than a 2-year low of 1.0956. There are limited assets in the currencies market to flee into if trade tensions escalate, with the euro particularly vulnerable since its economy is heavily dependent on exports, while European yields are in negative terrain.
- In the UK, Prime Minister Boris Johnson is threatening to call a general election on October 14 if members of the Conservative party joined forces with Labor on Tuesday to "chop the legs out" from his negotiating strategy. The threat came after about 15 Conservative MPs said that they could work with Labor and other opposing parties to seize control of the commons agenda passing an emergency law to stop him from taking Britain out of the EU without a deal. Johnson is saying that the move would "wreck" his negotiating strategy because other EU leaders would think that parliament was determined to halting Brexit. The Prime Minister insisted that if he is forced to call an election he would hold it in mid-October, allowing him to seek a new mandate from the electorate to seek a better exit deal at the European Council on October 17-18 or leave without a deal.

Hang Seng Index
YTD-Performance



EUR/USD
2-Year Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0835	1.0875	1.0938	1.0985	1.1040
GBP	1.1930	1.1975	1.2035	1.2085	1.2135
JPY	105.30	105.75	106.32	106.80	107.35
CHF	0.9825	0.9875	0.9922	0.9975	1.0025

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0966	(4.55)	EUR/GBP	0.9091	1.41
GBP/USD	1.2066	(5.84)	GBP/JPY	128.16	(8.87)
USD/JPY	106.2100	(3.65)	EUR/JPY	116.49	(7.87)
USD/CHF	0.9905	1.03	EUR/CHF	1.0866	(3.55)

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.0961 level during Monday's trading session and is currently trading at 1.0938. EUR/USD Support is at (1.0835-1.0875) any break below would take the pair down to 1.0775. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2033 level during Monday's trading session and is currently trading at 1.2035. GBP/USD Support is at (1.1930-1.1970) any break below would take the pair down to 1.1835. Short term outlook is Bearish.

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	2.08	2.13	2.02	1.95
EUR	-0.46	-0.49	-0.48	-0.47	-0.40
GBP	0.69	0.71	0.77	0.78	0.83
CHF	-0.84	-0.89	-0.85	-0.85	-0.75
AUD	0.86	1.12	0.90	1.17	0.95

Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-Sep-19	CNY	Caixin Manufacturing PMI	50.4	49.8	49.9
2-Sep-19	EUR	Final Manufacturing PMI	47.0	47.0	47.0
2-Sep-19	GBP	Manufacturing PMI	47.4	48.0	48.0
3-Sep-19	AUD	Cash Rate		1.00%	1.00%
3-Sep-19	USD	ISM Manufacturing PMI		51.2	51.2
4-Sep-19	EUR	Final Services PMI		53.4	53.4
4-Sep-19	GBP	Services PMI		51	51.4
4-Sep-19	GBP	Inflation Report Hearings			
4-Sep-19	CAD	Overnight Rate		1.75%	1.75%
6-Sep-19	USD	Non-Farm Employment Change		168K	164K

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.77	1.51	1.40	1.52	1.99
Germany	-0.88	-0.93	-0.96	-0.70	-0.18
United Kingdom	0.37	0.32	0.26	0.42	0.94
Japan	-0.26	-0.30	-0.35	-0.28	0.11

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	59.15	(0.72)	Dow Jones	26,403.28	0.16
Brent	58.62	(0.07)	Nikkei 225	20,644.31	0.12
West Texas	54.86	0.02	S&P 500	2,926.46	0.06
Gold	1,526.21	(0.27)	KuwaitSE	5,953.50	(0.28)

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