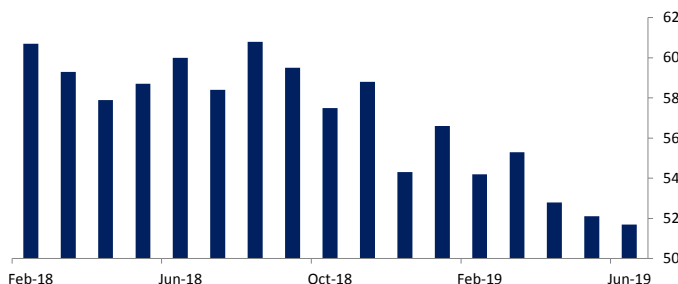


Highlights in the Foreign Exchange Market:

- US manufacturing activity fell to its lowest level since October 2016, dropping to 51.7 in June after three months of consecutive descents. The details of the report were mixed: new orders and inventories sub-indices declined, while production and employment sub-indices rose. Tariffs on Chinese goods and pending Mexico tariffs are disrupting supply chains and costs, however overall demand appears to remain strong.
- In China, manufacturing activity shrank in June following three months of growth. As trade tensions hit sales and export orders, the PMI fell to a five-month low of 49.4 in June, from 50.2 in May. The figure dipped below the 50-point expansion level, while economists expected a reading of 50. The data supports the view that the growth seen in Q1 and Q2 would prove short-lived given headwinds from US tariffs and cooling global growth. The enduring tension between the US and China remains elusive even as both leaders agreed to continue negotiations and Trump pledging not to introduce more tariffs on Chinese goods.
- Following 10 hours of deliberations, OPEC meetings concluded with an extension to production cuts for another nine months well into 2020. Oil had risen drastically since January after escalating tensions in the Middle East ignited concerns over supply. Fears only increased as Iran allegedly began to default on its commitments to a nuclear deal following US sanctions. OPEC will meet again before the end of the year – possibly in December - giving the group a cushion of several months between its next meeting and the end of the agreement. Brent crude gave up gains and fell to 65.06 after reaching a high of 66.84 in anticipation of the meetings. The West Texas Intermediate followed a similar trajectory, rising to 60.27 and later retreating, currently trading at around the 58.98 level.

US Manufacturing Activity



Brent Crude Oil YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1185	1.1230	1.1287	1.1335	1.1390
GBP	1.2535	1.2575	1.2635	1.2695	1.2740
JPY	107.25	107.70	108.33	108.85	109.35
CHF	0.9765	0.9815	0.9868	0.9920	0.9975

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.1285	(1.53)
GBP/USD	1.2638	(0.93)
USD/JPY	108.4300	(1.71)
USD/CHF	0.9874	0.56

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8926	(0.58)
GBP/JPY	137.07	(2.18)
EUR/JPY	122.37	(3.03)
EUR/CHF	1.1144	(0.94)

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1279 level during Monday's trading session and currently trading at 1.1287 EUR/USD Support is at (1.1185-1.1230) any break below would take the pair down to 1.1115. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2629 level during Monday's trading session and currently trading at 1.2632 GBP/USD Support is at (1.2535-1.2575) any break below would take the pair down to 1.2475. 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	2.38	2.39	2.33	2.22	2.20
EUR	-0.44	-0.43	-0.39	-0.39	-0.31
GBP	0.69	0.72	0.78	0.85	0.95
CHF	-0.83	-0.81	-0.74	-0.70	-0.59
AUD	1.00	1.12	1.05	1.33	1.10

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	48.0	49.5	49.4
1-Jul-19	USD	ISM Manufacturing PMI	51.7	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	1.77	1.78	2.02	2.55
Germany	-0.72	-0.77	-0.69	-0.36	0.24
United Kingdom	0.68	0.59	0.61	0.82	1.43
Japan	-0.21	-0.22	-0.24	-0.15	0.37

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	65.61	(1.22)	Dow Jones	26,717.43	0.44
Brent	66.34	2.47	Nikkei 225	21,765.67	0.16
West Texas	59.86	1.39	S&P 500	2,964.33	0.77
Gold	1,391.15	0.51	KuwaitSE	5,848.91	0.18

All information has been sourced from Reuters.

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