

Highlights in the Foreign Exchange Market:

- The dollar edged up yesterday, hovering at a three-week high supported by news that the stronger-than-expected increase in U.S. jobs in June scaled back traders' expectations of a sharp Federal Reserve rate cut at the end of July. The solid job gain slashed expectations of a 50 basis point rate cut at the Fed's July 30-31 policy meeting, although modest wage gains and other data showing the U.S. economy was losing steam point to a 25 point rate cut. Traders now await Fed Chairman Jerome Powell's two-day testimony before Congress, which starts today for clues about the rate decrease.
- Sterling hovered near a six-month low against the dollar as investors continued to bet on lower British interest rates. As major central banks around the world including the U.S. Federal Reserve shift towards monetary policy easing, investors are betting that the Bank of England will also follow suit. Money markets are now pricing in a 50% chance of one rate hike by the end of December. Uncertainty over Britain's departure from the European Union, as well as over who will become the new prime minister and lead the country out of the bloc, added to sterling's weakness.
- Turkey's lira weakened yesterday after President Tayyip Erdogan dismissed the central bank governor, reigniting concerns about political interference in monetary policy and expectations of rate cuts to revive the recession-hit economy. Governor Murat Cetinkaya, whose four-year term was due to run until 2020, was replaced by his deputy Murat Uysal with no official reason given. However, government sources cited that Erdogan was frustrated that the bank kept its benchmark interest rate unchanged at 24% since last September.

US Dollar Index



GBP/USD



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1115	1.1165	1.1217	1.1270	1.1320
GBP	1.2415	1.2465	1.2511	1.2565	1.2615
JPY	107.70	108.20	108.70	109.30	109.70
CHF	0.9840	0.9890	0.9940	0.9990	1.0040

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1214	0.00	EUR/GBP	0.8961	0.00
GBP/USD	1.2510	(1.94)	GBP/JPY	136.03	(2.83)
USD/JPY	108.7100	(1.35)	EUR/JPY	121.91	0.00
USD/CHF	0.9938	1.30	EUR/CHF	1.1143	(0.90)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1205 level during Monday's trading session and currently trading at 1.1217 EUR/USD Support is at (1.1115-1.1165) any break below would take the pair down to 1.0950. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2497 level during Monday's trading session and currently trading at 1.2511 GBP/USD Support is at (1.2415-1.2465) any break below would take the pair down to 1.2335. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.19	2.50	2.69	2.94	3.13
USD	2.38	2.38	2.34	2.26	2.26
EUR	-0.45	-0.43	-0.39	-0.40	-0.31
GBP	0.69	0.72	0.76	0.82	0.88
CHF	-0.83	-0.81	-0.75	-0.71	-0.60
AUD	1.02	1.20	1.26	1.15	1.30

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%	-0.4%
10-Jul-19	GBP	Manufacturing Production m/m		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	1.97	1.87	1.84	2.04	2.52
Germany	-0.71	-0.75	-0.68	-0.37	0.24
United Kingdom	0.61	0.53	0.51	0.72	1.34
Japan	-0.20	-0.21	-0.24	-0.15	0.33

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	64.69	0.00	Dow Jones	26,806.14	(0.43)
Brent	62.53	0.21	Nikkei 225	21,549.61	0.07
West Texas	56.41	0.28	S&P 500	2,975.95	(0.48)
Gold	1,394.40	(0.06)	KuwaitSE	6,017.39	0.18

Global Indices

All information has been sourced from Reuters.

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For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 (TELEX : 46811 - FAX +965 2241 9720).