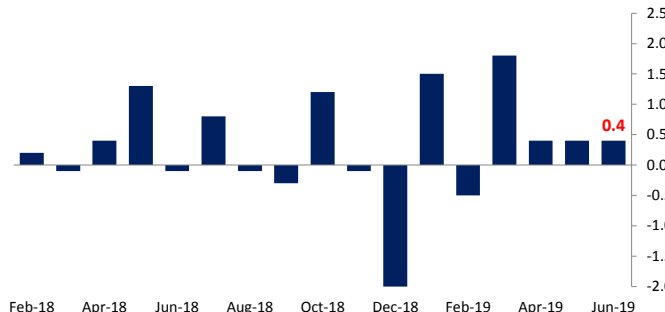


**Highlights in the Foreign Exchange Market:**

- US retail sales grew more than expected last month in a sign that consumers continued to support the world's largest economy in the second quarter. Headline retail sales grew 0.4% in June, matching the previous month's rise, and exceeded economists' expectations for a 0.1% rise. The optimistic figures follow a revelation of weakness in the manufacturing sector. Markets have begun to price in a rate cut by the Federal Reserve as soon as the July 31st meeting. Fed chair Jerome Powell solidified those expectations earlier this month as he pointed to growing risks to the US economic outlook in his dovish testimony to congress.
- Looking at equities, Wall Street eased back from record highs yesterday amid worries over US-China trade talks. US President Trump has reiterated his threat of more tariffs on Chinese goods after agreeing to hold off on additional duties in his meeting with Xi Jinping just last month. He claimed that China is supposed to buy more farm products, a position Beijing has not confirmed. Trump told reporters that the US still has a long way to go before reaching a trade accord with China, and that Washington could impose tariffs on another \$325bn in Chinese goods if it chooses. The S&P 500 fell 0.46% following the remarks, and is currently trading at around the 3,004.04 level.
- Sterling dipped below \$1.24 for the first time in 27 months yesterday as the two candidates for Britain's next prime minister began taking harder Brexit stances. Boris Johnson and his rival to be Conservative Party leader Jeremy Hunt, said late on Monday they would not accept the so-called Northern Irish backstop element of Theresa May's Brexit deal. Their positions are supporting expectations of a higher risk of Britain leaving the European Union on October 31 without a deal. As a result, markets also expect the EU-UK split could potentially force the Bank of England to cut interest rates to stave off an economic catastrophe.



**Chart Points and Other Technical Input**

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1110	1.1160	<b>1.1214</b>	1.1265	1.1315
GBP	1.2315	1.2365	<b>1.2415</b>	1.2470	1.2512
JPY	107.15	107.70	<b>108.16</b>	108.65	109.15
CHF	0.9775	0.9830	<b>0.9872</b>	0.9925	0.9975

**Major Currencies**

CCY	Closing Rate	YTD %
EUR/USD	1.1209	(2.22)
GBP/USD	1.2403	(2.67)
USD/JPY	108.2200	(1.85)
USD/CHF	0.9877	0.60

**Major Crosses**

CCY	Closing Rate	YTD %
EUR/GBP	0.9034	0.52
GBP/JPY	134.28	(4.04)
EUR/JPY	121.33	(3.85)
EUR/CHF	1.1074	(1.60)

**Brief Technical Commentary**

EUR/USD: The pair moved down to the 1.1200 level during Tuesday's trading session and currently trading at 1.1214 EUR/USD Support is at (1.1110-1.1160) any break below would take the pair down to 1.0940. Short term outlook is Bearish.

GBP/USD: The pair sharply lower to the 1.2394 level during Tuesday's trading session and currently trading at 1.2417 GBP/USD Support is at (1.2315-1.2365) any break below would take the pair up to 1.2080. Short term outlook is Bearish.

**Local & Global Rates**

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.19	2.50	2.75	2.94	3.19
USD	2.38	2.30	2.30	2.21	2.21
EUR	-0.44	-0.44	-0.41	-0.41	-0.33
GBP	0.69	0.72	0.77	0.80	0.88
CHF	-0.83	-0.81	-0.75	-0.72	-0.61
AUD	1.05	1.21	1.23	1.43	1.20

**Economic Events**

Date	Country	Event	Actual	Forecast	Previous
16-Jul-19	GBP	Average Earnings Index 3m/y	3.4%	3.1%	3.1%
16-Jul-19	USD	Core Retail Sales m/m	0.4%	0.1%	0.5%
16-Jul-19	USD	Fed Chair Powell Speaks			
17-Jul-19	GBP	CPI y/y		2.0%	2.0%
17-Jul-19	EUR	CPI y/y		1.2%	1.2%
17-Jul-19	USD	Building Permits		1.30M	1.29M
18-Jul-19	GBP	Retail Sales m/m		-0.3%	-0.5%
18-Jul-19	GBP	BOE Credit Conditions Survey			
18-Jul-19	JPY	Trade Balance		-0.14T	-0.61T
19-Jul-19	JPY	National Core CPI y/y		0.6%	0.8%

**Government Yields**

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.93	1.85	1.86	2.10	2.61
Germany	-0.73	-0.75	-0.65	-0.27	0.32
United Kingdom	0.61	0.56	0.58	0.81	1.42
Japan	-0.19	-0.20	-0.22	-0.13	0.37

**Commodities**

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	64.91	(2.97)	Dow Jones	27,335.63	(0.99)
Brent	62.53	0.21	Nikkei 225	21,473.49	(0.29)
West Texas	56.41	0.28	S&P 500	3,004.04	(0.34)
Gold	1,404.40	(0.11)	KuwaitSE	6,121.81	0.32

All information has been sourced from Reuters.

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