



Highlights in the Foreign Exchange Market:

- U.S. President Donald Trump said on Monday additional tariffs on Chinese goods were ready to kick in after the G20 summit this month if no trade deal is reached with China. China's foreign ministry said on Monday that China is open for more trade talks with Washington but has nothing to announce about a possible meeting. Trump said if Chinese President Xi Jinping did not attend the G20 meeting, tariffs would go into effect immediately. The dollar still gained on Monday after the United States and Mexico reached a deal to avoid tariffs on Friday.
- The euro dipped after two sources familiar with the ECB's policy discussions said on Sunday that a rate cut was very possible if the bloc's economy stagnates again after expanding by 0.4% in the first quarter. The ECB said on Thursday that its interest rates would stay "at their present levels" until mid-2020 but President Mario Draghi added that rate setters had started a discussion about a possible cut or fresh bond purchases to stimulate inflation.
- The pound took a downturn after data showed the British economy slowed sharply in April with the manufacturing sector proving to be a weak spot as a result of Brexit uncertainty. Britain's economy overall contracted by 0.4% in April after a 0.1% decline in March, the Office for National Statistics said on Monday, the drop was the biggest since March 2016. Manufacturing production was hit especially hard by the auto sector, which had announced some factory closures in anticipation of trade disruptions from Brexit.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1205	1.1255	1.1315	1.1355	1.1410
GBP	1.2570	1.2625	1.2675	1.2725	1.2775
JPY	107.65	108.10	108.64	109.15	109.65
CHF	0.9805	0.9855	0.9900	0.9955	1.0005

Major Currencies

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.1312	(1.33)	EUR/GBP	0.8916	(0.66)	
GBP/USD	1.2683	(0.61)	GBP/JPY	137.54	(1.69)	
USD/JPY	108.4300	(1.52)	EUR/JPY	122.66	(2.64)	
USD/CHF	0.9896	0.89	EUR/CHF	1.1196	(0.42)	

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1330 level during Monday's trading session and currently trading at 1.1315 EUR/USD Resistance is at (1.1355-1.1410) any break above would take the pair up to 1.1535. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2747 level during Monday's trading session and currently trading at 1.2675 GBP/USD Resistance is at (1.2725-1.2775) any break above would take the pair up to 1.2970. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.13	2.44	2.63	2.88	3.13
USD	2.38	2.41	2.45	2.37	2.35
EUR	-0.46	-0.42	-0.37	-0.33	-0.23
GBP	0.70	0.72	0.78	0.87	0.98
CHF	-0.82	-0.80	-0.71	-0.66	-0.53
AUD	1.33	1.53	1.47	1.47	1.52

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Jun-19	CNY	Trade Balance	279B	136B	94B
10-Jun-19	GBP	GDP m/m	-0.4%	-0.1%	-0.1%
10-Jun-19	GBP	Manufacturing Production m/m	-3.9%	-1.1%	0.9%
11-Jun-19	GBP	Average Earnings Index 3m/y	-	2.9%	3.2%
11-Jun-19	GBP	Unemployment Rate	-	3.8%	3.8%
11-Jun-19	USD	Core PPI m/m	-	0.2%	0.1%
12-Jun-19	USD	Core CPI m/m	-	0.2%	0.1%
13-Jun-19	CHF	Libor Rate	-	-0.75%	-0.75%
14-Jun-19	CNY	Industrial Production y/y	-	5.4%	5.4%
14-Jun-19	USD	Retail Sales m/m	-	0.7%	-0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.02	1.89	1.91	2.15	2.63
Germany	-0.63	-0.67	-0.59	-0.22	0.40
United Kingdom	0.61	0.54	0.60	0.83	1.42
Japan	-0.18	-0.20	-0.23	-0.12	0.35

Commodities

Index	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	62.03	0.10	Dow Jones	26,062.68	0.30
Brent	61.99	(5.11)	Nikkei 225	21,184.58	0.24
West Texas	53.78	0.52	S&P 500	2,886.73	0.47
Gold	1,328.69	0.07	KuwaitSE	5,880.94	0.75

All information has been sourced from Reuters.

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

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).