

Highlights in the Foreign Exchange Market:

- US equities rose on the back of news that the Trump administration is heading towards easing tensions with their trade partners. The S&P 500, Dow Jones and Nasdaq all posted substantial gains of 0.58%, 0.45% and 1.13% respectively during yesterday's trading session. News that President Donald Trump is considering postponing by up to 6 months the decision to tariff automotive imports on May 18th 2019 boosted gains on auto shares.
- In the US, the recent retail figures unexpectedly fell in the month of April. Retail sales on monthly basis fell by 0.2% while the market consensus was at an increase of 0.2%. Core retail sales posted a reading of 0.1% increase in April while the market expected an increase of 0.7%. In details, the government report showed that car sales dropped 1.1% last month and sales at electronics and appliance stores dropped 1.3%. It has been a tough year for economists who are trying to gauge the pattern for US consumers after abrupt December 2018, February 2019 and April 2019 figures took the markets by surprise. After the weak data, interest rate cut probabilities surged to 82.1% for January of next year.
- The risk aversion theme continues to loom over the FX market, paving the way for the JPY and CHF to take the lead as the two top performers. The US administration has slapped the Chinese telecoms giant Huawei with severe sanctions yesterday, further increasing tensions between the US-China trade dispute. As for the worst performer, the Australian dollar is currently the weakest one today. The unemployment rate was elevated to the highest level in 8-month as the participation rate set a new record high of 65.8%. Last week, the central bank indicated that if the labor market were to weaken then easing monetary policy would be appropriate. The Aussie is currently down by 0.23% versus the greenback.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1110	1.1160	1.1207	1.1260	1.1315
GBP	1.2735	1.2790	1.2840	1.2895	1.2945
JPY	108.45	108.95	109.45	109.95	110.50
CHF	0.9975	1.0030	1.0077	1.0135	1.0180

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1175 level during Wednesday's trading session and currently trading at 1.1207 EUR/USD Resistance is at (1.1260-1.1315) any break above would take the pair up to 1.1420. Short term outlook is Neutral, however a break under the 1.1110 will change the outlook to Bearish.

GBP/USD: The pair moved down to the 1.2824 level during Wednesday's trading session and currently trading at 1.2840 GBP/USD Support is at (1.2735-1.2765) any break below would take the pair down to 1.2685 Short term outlook is Bearish.

Economic Events

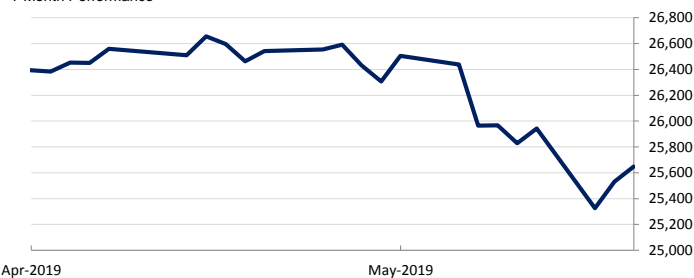
Date	Country	Event	Actual	Forecast	Previous
13-May-19	USD	FOMC Member Clarida Speaks			
14-May-19	GBP	Average Earnings Index 3m/y	3.2%	3.4%	3.5%
14-May-19	GBP	Unemployment Rate	3.8%	3.9%	3.9%
15-May-19	CNY	Industrial Production y/y	5.4%	6.5%	8.5%
15-May-19	EUR	Flash GDP q/q	0.4%	0.4%	0.4%
15-May-19	USD	Core Retail Sales m/m	0.1%	0.7%	1.1%
16-May-19	USD	Housing Starts		1.21M	1.14M
17-May-19	EUR	Final CPI y/y		1.7%	1.7%
17-May-19	EUR	Final Core CPI y/y		1.2%	1.2%
18-May-19	AUD	Parliamentary Elections			

All information has been sourced from Bloomberg

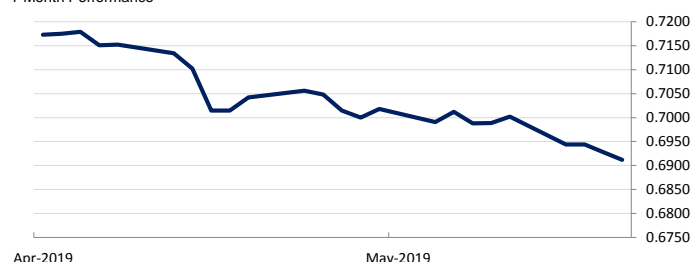
This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent 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 FAX +965 2241 9720.

Dow Jones Index
1-Month Performance



AUD/USD
1-Month Performance



Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1201	-2.27	EUR/GBP	0.8722	2.99
GBP/USD	1.2845	0.67	GBP/JPY	140.79	(0.48)
USD/JPY	109.60	0.21	EUR/JPY	122.76	2.58
USD/CHF	1.0087	-2.57	EUR/CHF	1.13	(0.37)

Major Crosses

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	2.50	2.75	2.94	3.19
USD	2.39	2.44	2.52	2.55	2.64
EUR	-0.44	-0.42	-0.36	-0.31	-0.22
GBP	0.70	0.73	0.80	0.91	1.05
CHF	-0.81	-0.80	-0.71	-0.66	-0.51
AUD	2.78	2.87	2.96	3.06	3.34

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.16	2.11	2.14	2.36	2.81
Germany	-0.67	-0.68	-0.52	-0.12	0.51
United Kingdom	0.68	0.70	0.79	1.04	1.59
Japan	-0.17	-0.18	-0.18	-0.07	0.50

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	72.14	1.58	Dow Jones	25,648.02	0.45
Brent	72.19	0.59	Nikkei 225	21,062.98	-0.59
West Texas	62.42	0.64	S&P 500	2,850.96	0.58
Gold	1,297.11	0.05	KuwaitSE	4,752.84	-0.63

Global Indices