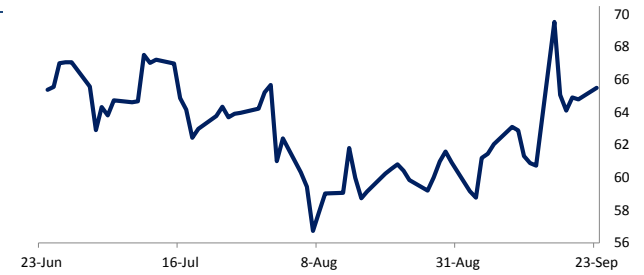


Highlights in the Foreign Exchange Market:

- The Trump administration has rolled out tariffs on Chinese imports since 2018 in an attempt to gain leverage in talks, while Chinese officials insist on wiping them out before they agree to any broader deal. The US has so far placed 35% tariffs on \$250bn of Chinese products, while China retaliated with tariffs on \$110bn of US imports. Looking ahead, the US is scheduled to raise existing tariffs to 30% on Oct. 15, and tax another \$156bn of products in December. Both sides recently showed signs of goodwill by suspending some planned tariffs as talks resume this week between US and Chinese officials, though a lasting peace between the world's two largest economies seems obscure.
- In the equities market, Asian equities were mostly lower as investors thought about the latest developments in trade negotiations. China's CSI 300 benchmark shed 1.5% while Hong Kong's Hang Seng index fell 0.8%. Oil on the other hand saw a rise as prices of Brent crude rose 1.09% to trade at \$64.98. The rise followed a report that repairs to the Saudi Aramco processing facility damaged in a drone attack could take a number of months to complete. S&P 500 futures were pointing to gains of about 0.4% when Wall Street begins trading later in the day.
- The Bank of England unanimously voted to keep interest rates on hold at 0.75% as it awaits further clarity regarding the Brexit debacle. In its statement, the bank said inflation will likely become weaker if Brexit uncertainty persists, while data revealed just a few days prior that annual inflation dropped to a three year low of 1.7% from 2.1%. In its meeting minutes, the MPC said delays to an agreement on the UK's relationship with the EU would harm consumer and business confidence – made worse by the trade war between the US and China which has lowered economic growth rates in both countries this year. The UK economy contracted in the second quarter of the year by 0.2%. Looking ahead, the bank expects the economy to expand by 0.2% in the third quarter in hopes of avoiding a technical recession defined as two consecutive quarters of decline. The pound saw a rise right after the decision reaching 1.2581 but was not able to sustain that falling 0.80% and is now trading at 1.2475.

Brent Crude
3- Month Performance



GBP/USD
3- Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0925	1.0975	1.1020	1.1070	1.1125
GBP	1.2390	1.2435	1.2484	1.2535	1.2585
JPY	106.65	107.20	107.71	108.20	108.75
CHF	0.9815	0.9865	0.9912	0.9965	1.0015

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1017	(3.89)	EUR/GBP	0.8833	(1.65)
GBP/USD	1.2477	(2.22)	GBP/JPY	134.17	(4.04)
USD/JPY	107.5500	(2.30)	EUR/JPY	118.52	(5.93)
USD/CHF	0.9907	1.01	EUR/CHF	1.0920	(2.90)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.0994 level during Friday's trading session and currently trading at 1.1020. EUR/USD Support is at (1.0925-1.0975) any break below would take the pair down to 1.0740. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2581 level during Friday's trading session and currently trading at 1.2484. GBP/USD Resistance is at (1.2535-1.2585) any break above would take the pair up to 1.2780. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.31	2.63	2.81	3.06	3.25
USD	1.95	2.04	2.13	2.07	2.07
EUR	-0.55	-0.50	-0.42	-0.41	-0.33
GBP	0.70	0.72	0.78	0.85	0.95
CHF	-0.88	-0.82	-0.75	-0.70	-0.57
AUD	0.70	0.79	0.81	1.00	1.02

Economic Events

Date	Country	Event	Actual	Forecast	Previous
23-Sep-19	EUR	French Flash Services PMI		53.1	53.4
23-Sep-19	EUR	German Flash Manufacturing PMI		44.6	43.5
24-Sep-19	JPY	BOJ Gov Kuroda Speaks			
24-Sep-19	USD	CB Consumer Confidence		134.1	135.1
25-Sep-19	USD	Crude Oil Inventories			1.1M
26-Sep-19	USD	Final GDP q/q		2.0%	2.0%
26-Sep-19	USD	FOMC Press Conference			
27-Sep-19	USD	Core Durable Goods Orders m/m		0.2%	-0.4%
27-Sep-19	USD	Personal Spending m/m		0.3%	0.6%
27-Sep-19	USD	Core PCE Price Index m/m		0.2%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.82	1.70	1.60	1.74	2.18
Germany	-0.72	-0.73	-0.74	-0.53	-0.05
United Kingdom	0.59	0.51	0.46	0.63	1.05
Japan	-0.29	-0.31	-0.34	-0.22	0.34

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	66.02	(0.45)	Dow Jones	26,935.07	(0.59)
Brent	64.98	1.09	Nikkei 225	22,079.09	0.16
West Texas	58.70	1.08	S&P 500	2,992.07	(0.49)
Gold	1,514.68	(0.14)	KuwaitSE	5,676.51	2.23

Global Indices

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).