

Highlights in the Foreign Exchange Market:

- Asian stocks edged lower with Hong Kong shares leading the losses due to demonstrations protesting the China extradition bill. The Hang Seng index of Hong Kong sank by 1.59% by midmorning trade. In Wall Street, equities closed yesterday's trading session with minimal changes after 5 days of gains. Markets are still waiting to see the outcome of the G-20 summit which will be held in Osaka on the 28th and 29th of June. Trump has announced that additional tariffs will be imposed on China if President Xi Jinping does not attend the G-20 meeting.
- In the UK, wage growth data came in higher than anticipated for April as regular pay (excluding bonuses) rose by 3.4% and 0.2% higher than the market's consensus. The unemployment was stagnant at 3.8% and in-line with the market. The labor market data is providing some relief to the GBP after a poor GDP figure from Monday where the GDP fell by 0.4%. The Sterling rebounded from a one week low of 1.2653 reached on Monday to a high of 1.2729 following the release of the labor market news on Tuesday.
- Consumer prices in China rose 2.7% from a year earlier last month in line with expectations but the fastest rise since February 2018. However, a large part was driven by elevated food prices due to a decline in supplies after the outbreak of African swine fever across the country. Also, producer prices declined from 0.9% to 0.6% in line with downbeat factory activity seen in May. Producer inflation in China, is closely tracked by analysts and investors and are seen as indicators of industrial demand in the economy.

GBP/USD
3 Month Performance



China PPI
3 Year Performance

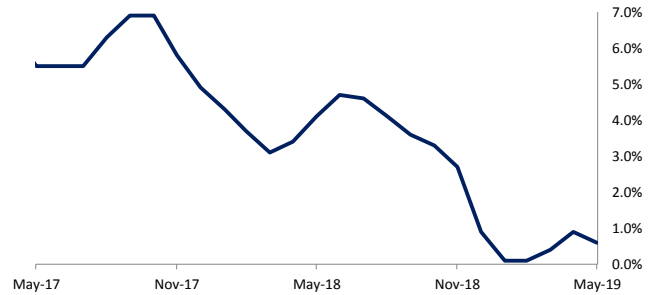


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1225	1.1275	1.1330	1.1380	1.1435
GBP	1.2620	1.2670	1.2720	1.2775	1.2825
JPY	107.45	107.95	108.47	109.05	109.55
CHF	0.9815	0.9875	0.9915	0.9970	1.0025

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1337 level during Tuesday's trading session and currently trading at 1.1330 EUR/USD Resistance is at (1.1385-1.1435) any break above would take the pair up to 1.1535. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2732 level during Tuesday's trading session and currently trading at 1.2719 GBP/USD Resistance is at (1.2775-1.2825) any break above would take the pair up to 1.2970. Short term outlook is Bullish.

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1329	(1.15)	EUR/GBP	0.8901	(0.83)
GBP/USD	1.2722	(0.27)	GBP/JPY	138.06	(1.59)
USD/JPY	108.5000	(1.76)	EUR/JPY	122.89	(2.70)
USD/CHF	0.9922	0.95	EUR/CHF	1.1240	(0.18)

Major Crosses

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.13	2.44	2.69	2.94	3.13
USD	2.38	2.41	2.45	2.35	2.34
EUR	-0.44	-0.42	-0.36	-0.33	-0.23
GBP	0.69	0.72	0.79	0.87	0.99
CHF	-0.81	-0.80	-0.71	-0.66	-0.54
AUD	1.21	1.30	1.22	1.40	1.50

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	3.4%	2.9%	3.2%
11-Jun-19	GBP	Unemployment Rate	3.8%	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	2.05	1.90	1.89	2.12	2.60
Germany	-0.64	-0.68	-0.61	-0.24	0.37
United Kingdom	0.64	0.57	0.62	0.84	1.42
Japan	-0.19	-0.20	-0.23	-0.12	0.34

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	61.21	(0.49)	Dow Jones	26,048.51	(0.05)
Brent	61.13	(1.16)	Nikkei 225	21,173.39	(0.15)
West Texas	52.24	(1.03)	S&P 500	2,885.72	(0.03)
Gold	1,336.64	0.75	KuwaitSE	5,919.49	0.62

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).