

#### Highlights in the Foreign Exchange Market:

- In an update to the Brexit situation, EU leaders gave Britain six extra months to leave the bloc. The new departure date for Britain is now set for October 31, but the UK will be able to leave earlier if May is able to ratify her withdrawal agreement with the EU. The new extension was granted after a long night of debate between leaders, where French president Macron argued against a majority of presidents and prime ministers that supported a long extension of nine months or more.
- In other news from the UK, GDP grew by 0.2% in February according to the Office for National Statistics. The performance was described as “modest” yet as expected amid worries about Brexit uncertainties. The main attributer towards the growth was the factories who did most of the heavy lifting as the manufacturing sector grew by 0.9% in February. The ONS said it saw signs that clients of manufacturing firms were stockpiling ahead of any border delays in relation to Brexit. Looking at growth for the three months to February, GDP fell by 0.3% in December and grew 0.5% in January achieving an overall growth of 0.3% in the three months leading to February.
- During the ECB press conference, president Mario Draghi’s overtone was seen as dovish. He was noted saying that the incoming data confirmed slower growth momentum extending to the current year. The ECB decided to keep the main refinancing rate at 0.00% and the marginal lending facility rate at 0.25% while the deposit rate was kept at -0.40%. Forward guidance was also kept unchanged where the ECB expected to keep key interest rates at present levels “at least through the end of 2019.”
- US consumer prices saw their biggest increase in 14 months in March. According to the US Labor Department, CPI rose 0.4% in March helped by increases in the cost of food, gasoline and rents. This advance is the biggest since January and followed a 0.2% gain clocked on February. Core CPI on the other hand, only managed to clock a nudge of 0.1% missing the estimated 0.2%.

GBP/USD  
3 Month Performance



EUR/USD  
3 Month Performance



#### Chart Points and Other Technical Input

| CCY | 2nd Support | 1st Support | Spot   | 1st Resistance | 2nd Resistance |
|-----|-------------|-------------|--------|----------------|----------------|
| EUR | 1.1175      | 1.1215      | 1.1278 | 1.1330         | 1.1385         |
| GBP | 1.2995      | 1.3045      | 1.3101 | 1.3155         | 1.3215         |
| JPY | 110.05      | 110.60      | 111.09 | 111.60         | 112.10         |
| CHF | 0.9920      | 0.9970      | 1.0018 | 1.0070         | 1.0120         |

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1290 level during Wednesday’s trading session and currently trading at 1.1278 EUR/USD Resistance is at (1.1330-1.1385) any break above would take the pair up to 1.1470. Short term outlook is slightly bullish, however a break under the 1.1175 will change the outlook to bearish.

GBP/USD: The pair moved up to the 1.3120 level during Wednesday’s trading session and currently trading at 1.3101 GBP/USD Resistance is at (1.3155-1.3215) any break above would take the pair up to 1.3385. Short term outlook is slightly bullish.

#### Economic Events

| Date      | Country | Event                           | Actual | Forecast | Previous |
|-----------|---------|---------------------------------|--------|----------|----------|
| 10-Apr-19 | GBP     | GDP m/m                         | 0.2%   | 0.2%     | 0.5%     |
| 10-Apr-19 | GBP     | Manufacturing Production m/m    | 0.9%   | 0.2%     | 0.8%     |
| 10-Apr-19 | EUR     | Main Refinancing Rate           | 0.00%  | 0.00%    | 0.00%    |
| 10-Apr-19 | EUR     | ECB Press Conference            |        |          |          |
| 10-Apr-19 | USD     | CPI m/m                         | 0.4%   | 0.3%     | 0.2%     |
| 10-Apr-19 | USD     | Core CPI m/m                    | 0.1%   | 0.2%     | 0.1%     |
| 11-Apr-19 | USD     | PPI m/m                         |        | 0.3%     | 0.1%     |
| 16-Apr-19 | AUD     | Monetary Policy Meeting Minutes |        |          |          |
| 16-Apr-19 | CNY     | GDP q/y                         |        |          |          |
| 16-Apr-19 | GBP     | Average Earnings Index 3m/y     |        |          |          |

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).

#### Major Currencies

| CCY     | Closing Rate | YTD %  | CCY     | Closing Rate | YTD %  |
|---------|--------------|--------|---------|--------------|--------|
| EUR/USD | 1.1273       | (1.67) | EUR/GBP | 0.8612       | (4.16) |
| GBP/USD | 1.3089       | 2.67   | GBP/JPY | 145.29       | 3.89   |
| USD/JPY | 111.0000     | 0.72   | EUR/JPY | 125.13       | (0.75) |
| USD/CHF | 1.0024       | 2.04   | EUR/CHF | 1.1300       | 0.43   |

#### Major Crosses

#### Local & Global Rates

| CCY | 1-Week | 1-Month | 3-Month | 6-Month | 1-Year |
|-----|--------|---------|---------|---------|--------|
| KWD | 2.06   | 2.44    | 2.69    | 2.88    | 3.13   |
| USD | 2.41   | 2.48    | 2.60    | 2.63    | 2.74   |
| EUR | -0.45  | -0.42   | -0.36   | -0.31   | -0.20  |
| GBP | 0.69   | 0.73    | 0.82    | 0.94    | 1.08   |
| CHF | -0.81  | -0.79   | -0.72   | -0.65   | -0.50  |
| AUD | 1.62   | 1.80    | 1.88    | 1.91    | 1.80   |

#### Government Yields

| Country        | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|----------------|--------|--------|--------|---------|---------|
| United States  | 2.41   | 2.32   | 2.28   | 2.47    | 2.90    |
| Germany        | -0.59  | -0.61  | -0.48  | -0.03   | 0.62    |
| United Kingdom | 0.72   | 0.68   | 0.82   | 1.09    | 1.62    |
| Japan          | -0.18  | -0.17  | -0.18  | -0.07   | 0.51    |

#### Commodities

| Index      | Last Price | % Change | Index      | Last Price | % Change |
|------------|------------|----------|------------|------------|----------|
| Kuwait Oil | 71.22      | 0.10     | Dow Jones  | 26,157.16  | 0.03     |
| Brent      | 72.27      | (0.03)   | Nikkei 225 | 21,715.00  | 27.43    |
| West Texas | 64.57      | (0.15)   | S&P 500    | 2,888.21   | 0.35     |
| Gold       | 1,307.93   | 0.01     | KuwaitSE   | 5,730.40   | 0.09     |

#### Global Indices