

Highlights in the Foreign Exchange Market:

- The yield on the 10-year treasury retreated to its lowest level since 2017 amid growing tensions between the US and China, which has driven interest towards safe government bonds. The yield on the 10-year note dropped around 10 basis points and is currently trading at around 2.23%. Treasury prices have been on a rally in May amid the heated rhetoric, and stalled progress in the trade war has soured sentiment for riskier assets. The overall sentiment has driven sovereign bonds higher and pushed global stocks toward their first monthly decline of 2019. The S&P 500 fell around 1.9% in the past week, while the Dow Jones is down 1.6%. Traders will now focus on the upcoming meeting between Trump and Chinese President Xi Jinping at the G-20 summit next month, though rhetoric from both sides remains discouraging.
- The consumer confidence index in the US rose 4.9 points to a 6-month high of 134.1 in May. The robust labor market apparent with a five-decade low for unemployment and sustained wage gains has continued to elevate consumer confidence despite the cost of higher tariffs on Chinese goods that may weigh on sentiment in coming months.
- With the race for the top jobs in the European Union heating up, Chancellor Angela Merkel ran into an early diplomatic setback as her German pick for the presidency of the bloc's executive arm, Manfred Weber, got bluntly disregarded. On the other hand, France is pushing Michel Barnier to succeed Jean-Claude Juncker as head of the EU commission, capitalizing on the respect that the bloc's chief Brexit negotiator commands across the continent.



10yr Treasury Yield
3-Month Performance

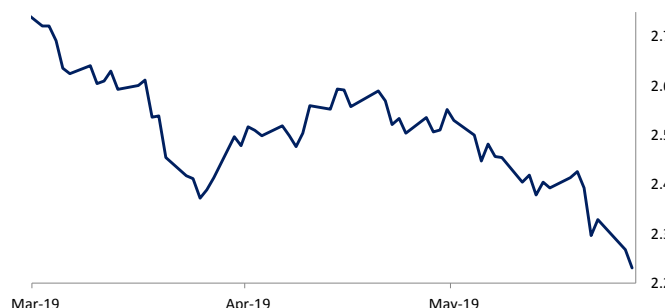


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1055	1.1110	1.1161	1.1210	1.1265
GBP	1.2555	1.2605	1.2659	1.2710	1.2765
JPY	108.25	108.75	109.24	109.80	110.25
CHF	0.9960	1.0010	1.0060	1.0110	1.0155

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1160	(2.75)	EUR/GBP	0.8819	(1.86)
GBP/USD	1.2652	(0.85)	GBP/JPY	138.37	(1.34)
USD/JPY	109.3600	(0.94)	EUR/JPY	122.04	(3.46)
USD/CHF	1.0075	2.50	EUR/CHF	1.1244	(0.28)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1202 level during Tuesday's trading session and currently trading at 1.1161 EUR/USD Support is at (1.1055-1.1110) any break below would take the pair down to 1.0830. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2701 level during Tuesday's trading session and currently trading at 1.2659 GBP/USD Support is at (1.2555-1.2605) any break below would take the pair down to 1.2435. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.13	2.44	2.69	2.88	3.13
USD	2.39	2.43	2.52	2.54	2.60
EUR	-0.45	-0.42	-0.35	-0.32	-0.22
GBP	0.70	0.73	0.79	0.89	1.01
CHF	-0.82	-0.79	-0.71	-0.66	-0.52
AUD	1.36	1.22	1.46	1.46	1.53

Economic Events

Date	Country	Event	Actual	Forecast	Previous
26-May-19	EUR	European Parliamentary Elections			
26-May-19	JPY	BOJ Gov Kuroda Speaks			
28-May-19	USD	CB Consumer Confidence	134.1	130.1	129.2
29-May-19	CAD	Bank of Canada Meeting			
30-May-19	USD	Preliminary GDP q/q		3.1%	3.2%
31-May-19	USD	Treasury Currency Report			
31-May-19	CNY	Manufacturing PMI		49.9	50.1
31-May-19	EUR	German Preliminary CPI		0.3%	1.0%
31-May-19	USD	Core PCE Price I/r m/m		0.2%	0.0%
31-May-19	CAD	GDP m/m			-0.1%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.30	2.08	2.03	2.23	2.67
Germany	-0.61	-0.66	-0.56	-0.17	0.48
United Kingdom	0.62	0.58	0.66	0.91	1.51
Japan	-0.17	-0.18	-0.20	-0.10	0.46

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	68.37	(1.50)	Dow Jones	25,347.77	(0.93)
Brent	69.38	(0.73)	Nikkei 225	21,003.37	(1.21)
West Texas	58.36	(0.78)	S&P 500	2,802.39	(0.84)
Gold	1,283.36	0.34	KuwaitSE	5,671.36	0.76

Global Indices

All information has been sourced from Reuters.

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