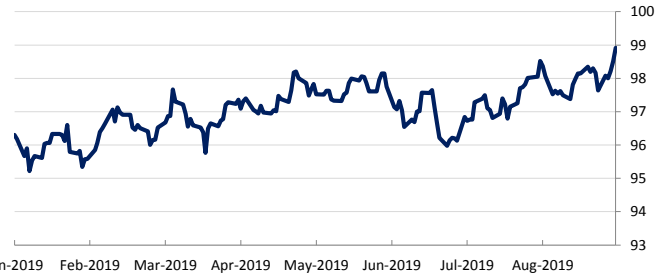


Highlights in the Foreign Exchange Market:

- The euro was also weighed down by a sluggish euro zone economy and likely monetary easing from the European Central Bank next month. Future ECB President Christine Lagarde spoke on Thursday saying the Central Bank still has room to cut interest rates if needed. "The ECB has a broad tool kit at its disposal and must stand ready to act," Lagarde continued to the European Parliament's committee on economic affairs. With growth slowing and inflation persistently undershooting the ECB's target, the bank has all but promised fresh stimulus when policymakers meet on September 12. The EUR/USD fell a similar 1.49% throughout the week.
- The strengthening dollar and the ongoing US-China trade tensions pose downside risks for the US economy and increasing pressure on the Federal Reserve to deliver further rate cuts. At Jackson Hole, Chair Powell clearly emphasized that slowing global growth, trade policy uncertainty and muted inflation have all played a role in encouraging the Fed to begin lowering rates. Since their Fed's last meeting risks to the global growth outlook from global trade have clearly increased.
- The US dollar rebounded this week on hopes that the United States and China are returning to the negotiating table to resolve their tariff dispute. US President Trump spoke to Beijing saying "this is the first time I've seen them where they really do want to make a deal, and I think it's a positive step". It followed comments from Chinese vice Premier Liu He who spoke with a conciliatory tone by stating that "China resolutely opposes the escalation of the trade war."

USD Index



EUR/USD

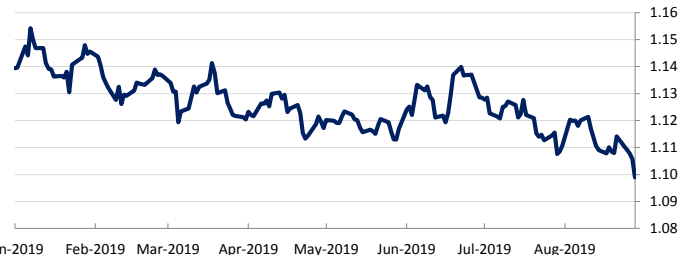


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0775	1.0885	1.0989	1.1090	1.1185
GBP	1.1950	1.2055	1.2156	1.2260	1.2355
JPY	104.35	105.30	106.29	107.30	108.35
CHF	0.9710	0.9805	0.9899	0.9995	1.0085

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1057	-4.23	EUR/GBP	0.9077	-0.58
GBP/USD	1.2181	-4.69	GBP/JPY	129.76	8.20
USD/JPY	106.52	3.21	EUR/JPY	117.78	7.70
USD/CHF	0.9866	-0.84	EUR/CHF	1.09	3.37

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.0961 level during Friday's trading session and closed for the week at 1.0989 EUR/USD Support is at (1.0845-1.0885) any break below would take the pair down to 1.0775. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2137 level during Friday's trading session and closed for the week at 1.2156 GBP/USD Support is at (1.2015-1.2055) any break below would take the pair down to 1.1950 Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	2.63	2.81	3.00	3.25
USD	2.14	2.09	2.14	2.04	1.97
EUR	-0.47	-0.49	-0.47	-0.46	-0.40
GBP	0.69	0.71	0.76	0.78	0.84
CHF	-0.83	-0.89	-0.86	-0.85	-0.76
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-Sep-19	CNY	Caixin Manufacturing PMI		49.8	49.9
2-Sep-19	EUR	Final Manufacturing PMI		47.0	47.0
2-Sep-19	GBP	Manufacturing PMI		48.0	48.0
3-Sep-19	AUD	Cash Rate		1.00%	1.00%
3-Sep-19	USD	ISM Manufacturing PMI		51.2	51.2
4-Sep-19	EUR	Final Services PMI		53.4	53.4
4-Sep-19	GBP	Services PMI		51	51.4
4-Sep-19	GBP	Inflation Report Hearings			
4-Sep-19	CAD	Overnight Rate		1.75%	1.75%
6-Sep-19	USD	Non-Farm Employment Change		168K	164K

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	1.50	1.43	1.39	1.50	1.96
Germany	-0.94	-0.97	-0.93	-0.70	-0.18
United Kingdom	0.37	0.33	0.32	0.48	1.01
Japan	-0.32	-0.32	-0.36	-0.28	0.14

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	61.50	0.89	Dow Jones	26,403.28	0.16
Brent	59.25	-2.05	Nikkei 225	20,704.37	1.19
West Texas	55.10	-2.84	S&P 500	2,926.46	0.06
Gold	1,520.38	-0.47	KuwaitSE	4,789.35	0.04

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.