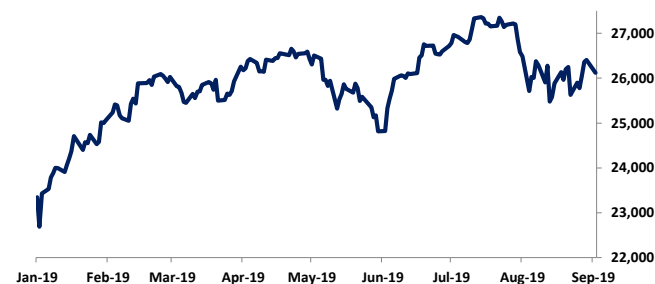


Highlights in the Foreign Exchange Market:

- The US manufacturing sector contracted for the first time since January 2016 as the ISM Manufacturing PMI fell into negative terrain from 51.2 to 49.1. Any reading below 50 suggests that the sector is contracting. The latest data increased fears of a recession and dragged Wall Street lower. The Dow Jones Industrial Average lost around 300 points and the Nasdaq sunk by 1.11% in yesterday's session. The never ending trade war theme between the two largest economies is taking its toll on the manufacturing sector, which was considered one of the winners under the Trump administration, attaining large gains in employment and activity. However, that has now appeared to be reversed by the trade war. On the monetary front, the US central bank lowered its short-term overnight rate by a 0.25% in July, due to trade tensions and weakening global growth. Financial markets have fully priced in another 0.25% cut at the Fed's scheduled September 17-18 policy meeting.
- Looking at Brexit, Prime Minister Boris Johnson lost his majority in the House of Commons as he faces a showdown with members of his Conservative Party that will determine the U.K.'s exit from the European Union and the length of his premiership. Tory MP Phillip Lee quit his party and joined Liberal Democrats, removing Johnson's majority. Johnson has vowed to leave the bloc on Oct. 31, but his political enemies are fighting to stop him from doing so without a divorce deal. Last night was the first of a series of key votes in Parliament. Subsequently, the markets reacted positively on the cable and pushed it from a 30+ year low of 1.1959 back to the 1.21 level.

Dow Jones Industrial Average
YTD-Performance



GBP/USD
2-Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0875	1.0925	1.0975	1.1025	1.1075
GBP	1.2010	1.2060	1.2108	1.2170	1.2220
JPY	105.30	105.70	106.04	106.55	106.97
CHF	0.9770	0.9820	0.9871	0.9925	0.9975

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0972	(4.31)	EUR/GBP	0.9078	0.83
GBP/USD	1.2084	(5.04)	GBP/JPY	127.98	(8.17)
USD/JPY	105.9200	(3.73)	EUR/JPY	116.24	(7.68)
USD/CHF	0.9866	0.66	EUR/CHF	1.0828	(3.65)

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.0924 level during Tuesday's trading session and is currently trading at 1.0975. EUR/USD Support is at (1.0875-1.0925) any break below would take the pair down to 1.0775. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.1957 level during Tuesday's trading session and is currently trading at 1.2108. GBP/USD Support is at (1.2010-1.2060) any break below would take the pair down to 1.1957. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.31	2.63	2.81	3.00	3.25
USD	2.14	2.07	2.13	2.01	1.94
EUR	-0.46	-0.50	-0.48	-0.47	-0.41
GBP	0.69	0.71	0.76	0.78	0.81
CHF	-0.84	-0.90	-0.86	-0.85	-0.76
AUD	0.79	1.12	1.11	1.20	1.12

Economic Events

Date	Country	Event	Actual	Forecast	Previous
2-Sep-19	CNY	Caixin Manufacturing PMI	50.4	49.8	49.9
2-Sep-19	EUR	Final Manufacturing PMI	47.0	47.0	47.0
2-Sep-19	GBP	Manufacturing PMI	47.4	48.0	48.0
3-Sep-19	AUD	Cash Rate	1.00%	1.00%	1.00%
3-Sep-19	USD	ISM Manufacturing PMI	49.1	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	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.73	1.46	1.35	1.48	1.98
Germany	-0.85	-0.91	-0.94	-0.68	-0.18
United Kingdom	0.37	0.31	0.27	0.41	0.90
Japan	-0.27	-0.31	-0.36	-0.29	0.11

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	58.55	1.18	Dow Jones	26,118.02	(1.08)
Brent	58.44	0.31	Nikkei 225	20,662.68	0.18
West Texas	54.25	0.31	S&P 500	2,906.27	(0.69)
Gold	1,539.20	(0.48)	KuwaitSE	5,957.14	0.13

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