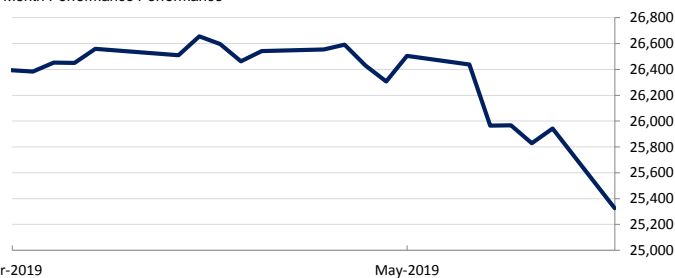


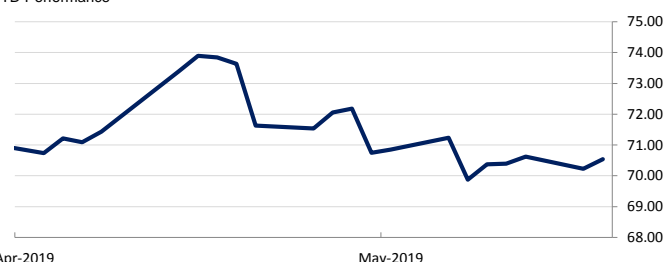
#### Highlights in the Foreign Exchange Market:

- U.S. stocks tumbled on Monday after China announced retaliatory tariffs on U.S. goods, heightening fears of a full-blown trade war between the world's two largest economies that could cripple global economic growth. The selloff that began with stocks at all-time highs on May 1 has now knocked almost 5% off the S&P 500 in less than two weeks. The move towards safe haven treasury yields has seen the short end of the US treasury yield invert for the second time in less than a week. The US dollar remained steady against its counterparts however, most likely due to support from the US Fed hinting at reduced monetary tightening.
- The U.S. Treasury bond yield curve between three-month and 10-year rates inverted yesterday as escalating trade tensions raised concern that the U.S. economy could tip into recession. The yield on the shorter maturity bill rose above 10-year yields to trade at 2.45% while 10-year rates slipped three basis points to a six-week low of 2.42%. In normal circumstances, a yield curve has an upward slope because investors expect higher returns for taking on the risk of owning longer-maturity debt. An inversion is when shorter-dated yields are higher than longer-dated ones and is considered a warning of potential recession.
- Oil futures fell more than 1% yesterday with Wall Street, as the negative turn in the U.S.-Chinese trade talks spooked investors. Oil prices have risen around 30% this year, supported by supply concerns as OPEC continues to curb production and the United States imposed sanctions on Iran and Venezuela. However, the latest developments in the trade war could threaten global trade reducing demand for oil.

**Dow Jones Index**  
1 Month Performance Performance



**Brent Crude**  
YTD Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1110	1.1165	1.1233	1.1285	1.1335
GBP	1.2910	1.2960	1.3011	1.3065	1.3115
JPY	108.75	109.30	109.75	110.25	110.75
CHF	0.9900	0.9950	1.0100	1.0150	1.0200

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1222	-1.98	EUR/GBP	0.8660	3.48
GBP/USD	1.2958	1.45	GBP/JPY	141.63	(1.51)
USD/JPY	109.30	-0.06	EUR/JPY	122.68	1.99
USD/CHF	1.0064	-2.49	EUR/CHF	1.13	(0.58)

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1253 level during Friday's trading session and currently trading at 1.1233 EUR/USD Resistance is at (1.1285-1.1335) any break above would take the pair up to 1.1470. Short term outlook is Bullish, however a break under the 1.1110 will change the outlook to Bearish.

GBP/USD: The pair moved up to the 1.3047 level during Friday's trading session and currently trading at 1.3011 GBP/USD Support is at (1.2910-1.2960) any break below would take the pair down to 1.2860. Short term outlook is Neutral.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	2.44	2.69	2.88	3.13
USD	2.39	2.45	2.53	2.59	2.69
EUR	-0.45	-0.42	-0.36	-0.31	-0.21
GBP	0.69	0.73	0.81	0.91	1.06
CHF	-0.81	-0.79	-0.71	-0.65	-0.52
AUD	2.78	2.87	2.96	3.06	3.34

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
13-May-19	USD	FOMC Member Clarida Speaks			
14-May-19	GBP	Average Earnings Index 3m/y		3.4%	3.5%
14-May-19	GBP	Unemployment Rate		3.9%	3.9%
15-May-19	CNY	Industrial Production y/y		6.5%	8.5%
15-May-19	EUR	Flash GDP q/q		0.4%	0.4%
15-May-19	USD	Core Retail Sales m/m		0.7%	1.1%
16-May-19	USD	Housing Starts		1.21M	1.14M
17-May-19	EUR	Final CPI y/y		1.7%	1.7%
17-May-19	EUR	Final Core CPI y/y		1.2%	1.2%
18-May-19	AUD	Parliamentary Elections			

#### Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.20	2.17	2.20	2.42	2.85
Germany	-0.63	-0.64	-0.48	-0.06	0.58
United Kingdom	0.72	0.74	0.85	1.12	1.67
Japan	-0.17	-0.17	-0.17	-0.06	0.53

#### Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	72.44	1.56	Dow Jones	25,324.99	-2.38
Brent	70.45	0.31	Nikkei 225	21,067.23	-0.59
West Texas	61.13	0.15	S&P 500	2,811.87	-2.41
Gold	1,297.52	-0.18	KuwaitSE	4,770.46	-0.17

All information has been sourced from Bloomberg

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