

Highlights in the Foreign Exchange Market:

- The US 10-year Treasury yield slipped back below 2% on Tuesday as diminishing optimism over any short term Sino-US trade deal and concerns about global economic growth boosted demand for safe-haven assets. The dollar index is trading in a negative manner today at 96.740, pulling back from 96.875 seen on Tuesday, its highest level since June 20.
- As for the next ECB president, European leaders have backed Christine Lagarde - who is currently head of the IMF - to lead the ECB, and Ursula von der Leyen to be president of the European Commission. The development ends five weeks of attempting to fill policymaking roles in the EU, though selections still need to be ratified by parliament. Under Lagarde's leadership, the IMF has called for the ECB to continue its monetary stimulus efforts aimed at raising inflation. A key challenge for her would be how to add more stimulus if needed, given that rates are at record lows and the four-year QE program was recently halted. Nevertheless, the ECB has pledged to keep rates at record lows until mid-2020 and a change to Draghi's approach will be difficult to alter immediately.
- In a Bank of England conference on Tuesday, Governor Mark Carney said that global trade tensions have led to a "sea change" in investors' outlook for the world economy. He has said that the sharp shift in market expectations - particularly in the US as investors are now pricing four rate cuts by the end of next year- suggests a shock to US and Chinese business confidence that is comparable to what happened in the UK after the Brexit vote. He continued to say that investor's reaction, although extreme, had reflected fears that trade tensions have the possibility to be far more pervasive, persistent and damaging than initially expected. Even though Carney said that global markets were already pricing in "much more stimulus," his comments still resulted in a rally in gilts and led investors to increase their bets on a BoE rate cut this year.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1185	1.1230	1.1288	1.1335	1.1390
GBP	1.2490	1.2540	1.2590	1.2645	1.2695
JPY	106.65	107.15	107.66	108.15	108.65
CHF	0.9750	0.9800	0.9853	0.9905	0.9955

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1273 level during Tuesday's trading session and currently trading at 1.1288 EUR/USD Support is at (1.1185-1.1230) any break below would take the pair down to 1.1115. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2582 level during Tuesday's trading session and currently trading at 1.2590 GBP/USD Support is at (1.2490-1.2540) any break below would take the pair down to 1.2435. Short term outlook is Bearish.

Economic Events

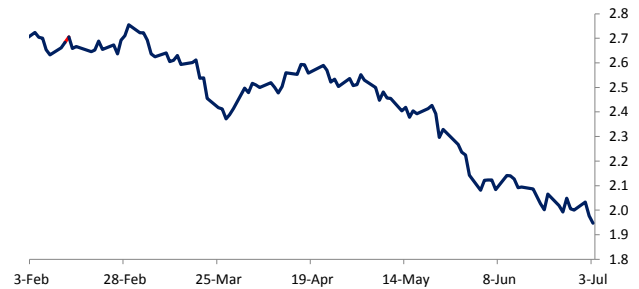
Date	Country	Event	Actual	Forecast	Previous
30-Jun-19	CNY	Manufacturing PMI	49.4	49.5	49.4
1-Jul-19	GBP	Manufacturing PMI	48.0	49.5	49.4
1-Jul-19	USD	ISM Manufacturing PMI	51.7	51.3	52.1
1-Jul-19	ALL	Opec Meetings			
2-Jul-19	AUD	RBA Rate Statement			
3-Jul-19	GBP	Services PMI		51.0	51.0
3-Jul-19	USD	ISM Non Manufacturing PMI		56.1	56.9
5-Jul-19	USD	Average Hourly Earnings		0.3%	0.2%
5-Jul-19	USD	Non-Farm Employment		164K	75K
5-Jul-19	USD	Unemployment Rate		3.6%	3.6%

All information has been sourced from Reuters.

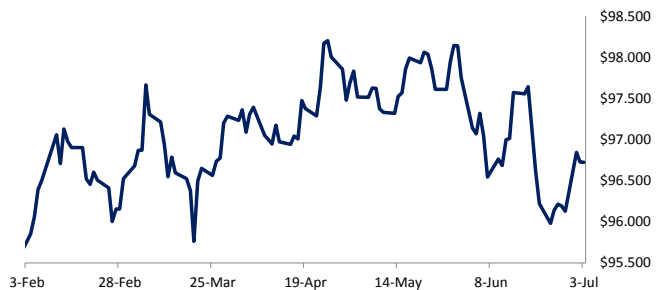
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US 10-Year Treasury Yield %



US Dollar Index



Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.1283	(1.64)
GBP/USD	1.2591	(1.51)
USD/JPY	107.8800	(2.39)
USD/CHF	0.9861	0.43

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8959	(0.08)
GBP/JPY	135.85	(3.43)
EUR/JPY	121.74	(3.81)
EUR/CHF	1.1128	(1.18)

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.13	2.50	2.69	2.88	3.13
USD	2.39	2.38	2.31	2.23	2.20
EUR	-0.44	-0.43	-0.39	-0.40	-0.32
GBP	0.69	0.72	0.78	0.84	0.92
CHF	-0.83	-0.81	-0.74	-0.70	-0.60
AUD	1.03	1.20	1.26	1.39	1.29

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.91	1.73	1.71	1.94	2.48
Germany	-0.73	-0.78	-0.71	-0.40	0.22
United Kingdom	0.59	0.50	0.52	0.73	1.36
Japan	-0.22	-0.23	-0.26	-0.16	0.34

Commodities

Index	Last Price	% Change
Kuwait Oil	62.97	(3.42)
Brent	62.53	0.21
West Texas	56.41	0.28
Gold	1,426.21	0.57

Global Indices

Index	Last Price	% Change
Dow Jones	26,786.68	0.26
Nikkei 225	21,614.18	(0.64)
S&P 500	2,973.01	0.29
KuwaitSE	5,907.69	0.70