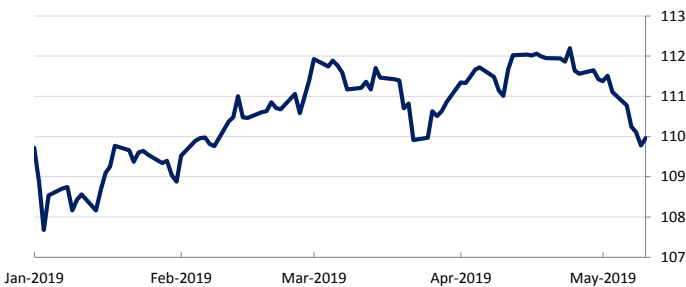


Highlights in the Foreign Exchange Market:

- Risk aversion was the dominant theme throughout the week even before the trade war rhetoric resurfaced on Friday. President Trump elevated the tariffs rate from 10% to 25% on \$200 billion worth of Chinese imports. In addition, Trump threatened to go even further by imposing a 25% levy on all imports from China. On the other side, Beijing stated it would retaliate even as the two sides pursue a last minute meeting to salvage a trade deal.
- Looking at the best performers in the FX market last week, the safe haven Japanese yen soared to a 3-month high of 109.46 and gained nearly 0.80% over the US dollar. The Swiss franc was the second strongest, rising by 0.46%. Euro displayed a lot of resilience appreciating around 0.35% versus the USD. What is worth mentioning is that the US dollar usually trades in positive territory during times of risk aversion. However, last week this wasn't the case. The DXY depreciated by around 0.23% in the past five trading sessions.
- As for the equities market, volatility was more evident compared to the FX market. Wall Street's favored volatility indicator spiked last week to 23.38, the highest level since early January. At the start of the weekly session, the volatility index was around 12.80. US stock markets performed poorly and the green zone was nowhere to be seen as investors rushed to safety assets. In weekly terms, the Dow Jones was down by 2.12% and a 2.18% loss for the S&P 500 was registered.

USD/JPY
YTD Performance



S&P 500 Index
YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1025	1.1110	1.1233	1.1335	1.1435
GBP	1.2800	1.2900	1.2998	1.3100	1.3205
JPY	107.95	108.90	109.94	110.95	111.90
CHF	0.9925	1.0015	1.0115	1.0220	1.0315

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1215	-2.04	EUR/GBP	0.8622	4.05
GBP/USD	1.3014	1.91	GBP/JPY	142.80	-2.12
USD/JPY	109.74	-0.24	EUR/JPY	123.08	1.87
USD/CHF	1.0150	-2.34	EUR/CHF	1.14	1.00

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1253 level during Friday's trading session and closed for the week at 1.1233 EUR/USD Resistance is at (1.1335-1.1435) any break above would take the pair up to 1.1570. 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 closed for the week at 1.2998 GBP/USD Support is at (1.2800-1.2900) any break below would take the pair down to 1.2690. 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	2.27	2.23	2.26	2.47	2.89
Germany	-0.63	-0.63	-0.47	-0.05	0.61
United Kingdom	0.73	0.75	0.86	1.13	1.68
Japan	-0.17	-0.18	-0.18	-0.06	0.53

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	71.33	1.16	Dow Jones	25,942.37	0.44
Brent	70.62	0.33	Nikkei 225	21,344.92	-0.27
West Texas	61.66	-0.06	S&P 500	2,881.40	0.37
Gold	1,286.05	0.15	KuwaitSE	4,831.20	-0.51

All information has been sourced from Bloomberg

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