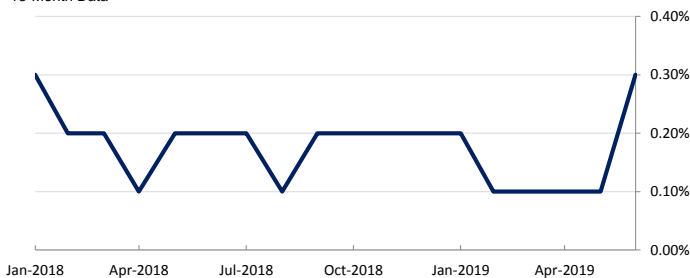


Highlights in the Foreign Exchange Market:

- The Federal Reserve appeared to be dovish during the semiannual monetary policy testimony to the US Congress. During his testimony, Fed Chair Jerome Powell's comments paved the way for the regulator to cut interest rates on mounting risks to the US economic outlook, fueling expectations for a rate cut this month. The dovish stance came in despite of the strong jobs report for the month of June, and the new truce in the trade war between US and China. Powell said "uncertainties about the outlook have increased in recent months, particularly internationally." He then continued, "Economic momentum appears to have slowed in some major foreign economies, and that weakness could affect the US economy. Moreover, a number of government policy issues have yet to be resolved, including trade developments, the federal debt ceiling, and Brexit. And there is a risk that weak inflation will be even more persistent than we currently anticipate."
- The Dollar closed the week on a softer note again as expectations of a Fed cut re-intensified. Such expectations also pushed US equities to new record highs. The message is that the trigger for a cut could be a continuation of uncertainties rather than an actual deterioration in growth and inflation outlook. The Dollar Index opened the week at 97.286 and ended the week at 96.818.
- Data released on Thursday showed that US core consumer prices rose by the most in a year and a half in June from May. The indicator that strips out volatile items like food and fuel prices rose 0.3% m/m, its biggest move since January 2018. On annual basis, core CPI rose 2.1%. The number outran economist expectations of 0.2% and 2% increase respectively. Headline CPI rose 0.1% m/m topping expectations that it would remain flat, and came in line with y/y expectations of a 1.6% rise. The report showed a broad increase in prices including apparel, used motor vehicles, rent, and medical care services. A separate report showed the number of Americans filing for jobless benefits unexpectedly fell to 209,000 against expectations for a slight uptick to 223,000.

US Core CPI m/m
18-Month Data



Dollar Index
YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1075	1.1170	1.1269	1.1375	1.1475
GBP	1.2370	1.2470	1.2573	1.2670	1.2770
JPY	105.95	106.90	107.89	108.90	109.90
CHF	0.9640	0.9740	0.9840	0.9940	1.0040

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1254	-0.72	EUR/GBP	0.8987	0.28
GBP/USD	1.2521	-1.43	GBP/JPY	135.83	3.09
USD/JPY	108.50	1.65	EUR/JPY	122.11	3.46
USD/CHF	0.9900	-0.21	EUR/CHF	1.11	1.47

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1275 level during Friday's trading session and closed for the week at 1.1269. EUR/USD Resistance is at (1.1375-1.1475) any break above would take the pair up to 1.1520. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2579 level during Friday's trading session and closed for the week at 1.2573. GBP/USD Resistance is at (1.2670-1.2770) any break above would take the pair up to 1.2835. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	2.50	2.75	2.94	3.13
USD	2.38	2.33	2.32	2.23	2.23
EUR	-0.45	-0.43	-0.40	-0.40	-0.31
GBP	0.69	0.72	0.77	0.82	0.90
CHF	-0.82	-0.81	-0.75	-0.71	-0.59
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
16-Jul-19	USD	Average Earnings Index 3m/y		3.1%	3.1%
16-Jul-19	USD	Core Retail Sales m/m		0.1%	0.5%
16-Jul-19	USD	Fed Chair Powell Speaks			
17-Jul-19	GBP	CPI y/y		2.0%	2.0%
17-Jul-19	EUR	CPI y/y		1.2%	1.2%
17-Jul-19	USD	Building Permits		1.30M	1.29M
18-Jul-19	GBP	Retail Sales m/m		-0.3%	-0.5%
18-Jul-19	GBP	BOE Credit Conditions Survey			
18-Jul-19	JPY	Trade Balance		-0.14T	-0.61T
19-Jul-19	JPY	National Core CPI y/y		0.6%	0.8%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	1.85	1.83	1.87	2.12	2.65
Germany	-0.75	-0.73	-0.58	-0.21	0.38
United Kingdom	0.59	0.57	0.62	0.83	1.44
Japan	-0.19	-0.20	-0.22	-0.13	0.38

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	68.09	0.34	Dow Jones	27,332.03	0.90
Brent	66.72	0.30	Nikkei 225	21,685.90	0.20
West Texas	60.21	0.02	S&P 500	3,013.77	0.46
Gold	1,415.75	0.85	KuwaitSE	4,845.41	-0.34

Global Indices

All information has been sourced from Bloomberg

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