



Highlights in the Foreign Exchange Market:

- The Organization for Economic Cooperation and Development claimed that the global economy risked entering a new, long-lasting low-growth phase if governments continued to hesitate over how to respond to the latest pressures. The trade war between the US and China has plunged global growth to its lowest levels in decade, leading the OECD to slash its forecasts for growth. "The global order that regulated trade is gone and we are in a new era of less certain, more bilateral and sometimes assertive trade relations," OECD chief economist Laurence Boone said. The US would grow 2.4% this year and 2.0% next year, versus earlier projections of 2.8% and 2.3% respectively. Meanwhile, as Britain nears its exit out of the EU, forecast for growth is at 1% in 2019 and 0.9% in 2020 – only if it leaves the EU smoothly with a transition period which is far from certain. If Britain opts to leave without a deal, its economy will be 2% lower than otherwise in 2020-2021. The euro area would not be immune to such negative spillovers and would see its GDP cut by 0.5% over 2020-2021, also aided by a slowdown in its biggest economy – Germany. Looking at the broader picture, the global economy is now expected to slow to 2.9% this year from 3.6% last year before a predicted 3.0% in 2020.
- Crossing over to Asia, Japan's central bank held its overnight interest rate at -0.1% as it attempts to manage the impact from US interest rate cuts and a slowing global economy. The bank remains reluctant to add more monetary stimulus itself, promising a review at its next meeting and gave an explicit warning that it was concerned about risks to the economic recovery. Lower US interest rates reduce the yield gap between Japanese and US bonds which could lead to the appreciation in the yen, causing further harm to Japanese exports already under immense pressure from a slowdown in China. The BoJ has been struggling for the past 6 years to drive inflation closer to the 2% target, and many current officials believe that further cuts would pose a risk to financial stability and could even backfire – undermining inflation rather than driving it closer to its 2% target. Still, Governor Kuroda has repeatedly promised to act if necessary to maintain momentum towards the inflation goal. The USD/JPY pair has risen around 1.62% this month, currently trading at around the 107.95 level.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0840	1.0925	1.1017	1.1110	1.1190
GBP	1.2280	1.2390	1.2478	1.2580	1.2710
JPY	105.80	106.60	107.55	108.50	109.30
CHF	0.9710	0.9800	0.9907	0.9985	1.0080

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.1017	(3.94)
GBP/USD	1.2477	(2.19)
USD/JPY	107.5500	(2.46)
USD/CHF	0.9907	0.95

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8833	(1.68)
GBP/JPY	134.17	(4.19)
EUR/JPY	118.52	(6.10)
EUR/CHF	1.0920	(2.97)

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.0994 level during Friday's trading session and closed the week at 1.1017. EUR/USD Support is at (1.0840-1.0925) any break below would take the pair down to 1.0740. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2581 level during Friday's trading session and closed the week at 1.2478. GBP/USD Resistance is at (1.2580-1.2710) any break above would take the pair up to 1.2780. Short term outlook is Bullish.

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	1.95	2.04	2.13	2.07	2.07
EUR	-0.55	-0.50	-0.42	-0.41	-0.33
GBP	0.70	0.72	0.78	0.85	0.95
CHF	-0.88	-0.82	-0.75	-0.70	-0.57
AUD	0.70	0.80	0.80	0.90	1.05

Economic Events

Date	Country	Event	Actual	Forecast	Previous
23-Sep-19	EUR	French Flash Services PMI		53.1	53.4
23-Sep-19	EUR	German Flash Manufacturing PMI		44.6	43.5
24-Sep-19	JPY	BOJ Gov Kuroda Speaks			
24-Sep-19	USD	CB Consumer Confidence		134.1	135.1
25-Sep-19	USD	Crude Oil Inventories			1.1M
26-Sep-19	USD	Final GDP q/q		2.0%	2.0%
26-Sep-19	USD	FOMC Press Conference			
27-Sep-19	USD	Core Durable Goods Orders m/m		0.2%	-0.4%
27-Sep-19	USD	Personal Spending m/m		0.3%	0.6%
27-Sep-19	USD	Core PCE Price Index m/m		0.2%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.82	1.68	1.60	1.72	2.16
Germany	-0.76	-0.73	-0.75	-0.53	-0.05
United Kingdom	0.58	0.51	0.45	0.62	1.04
Japan	-0.29	-0.31	-0.34	-0.22	0.34

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	65.82	(0.75)	Dow Jones	26,935.07	(0.59)
Brent	64.28	(0.19)	Nikkei 225	22,079.09	0.16
West Texas	58.09	(0.17)	S&P 500	2,992.07	(0.49)
Gold	1,516.75	1.18	KuwaitSE	5,552.51	0.91

All information has been sourced from Reuters.

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