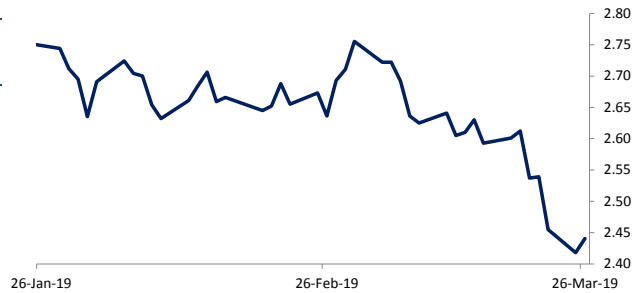


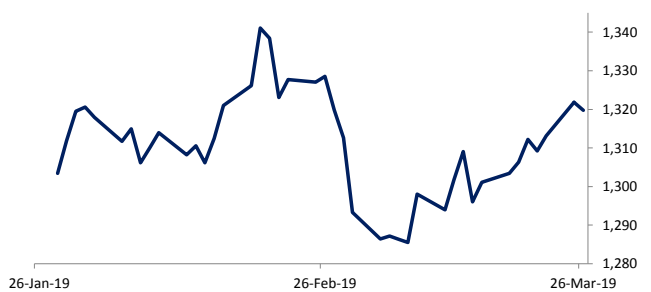
#### Highlights in the Foreign Exchange Market:

- In the UK, Prime Minister Theresa May said she doesn't have enough support to put her Brexit deal to a vote in Parliament just yet, and will continue her efforts to push MPs to back her deal. The EU said it's now prepared to handle the impact of the UK leaving without an agreement, a scenario it described as "increasingly likely."
- In the US, Fed Funds Futures are pricing in a 76% chance of a rate cut in January of next year. Before the Fed meeting of last week the highest cut probability was at 33.7% for January of 2020. Although we have seen several fluctuations in the cut probabilities throughout this year, we are seeing a 52% chance of a cut in September of this year. With the inverted yield curve and a softer economic data the market is expecting a slower US economy to a level that would push the Fed to react in easing the monetary policy.
- In commodities, oil prices edged up this morning, lifted by supply cuts led by producer club OPEC and US sanctions against Iran and Venezuela. Analysts believe oil prices would likely be higher by now if it wasn't for a spreading economic slowdown that could dent fuel consumption. Gold prices were steady and hovered near one-month high hit yesterday, as demand for safe-haven assets improved after treasury yields and equities fell on the global growth concerns and a possible US recession.

US 10yr Treasury Yield  
2 Month Performance



Gold  
2 Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1210	1.1260	<b>1.1312</b>	1.1365	1.1415
GBP	1.3075	1.3130	<b>1.3183</b>	1.3235	1.3290
JPY	109.05	109.55	<b>110.04</b>	110.55	111.05
CHF	0.9815	0.9870	<b>0.9922</b>	0.9975	1.0025

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1311	(1.40)	EUR/GBP	0.8570	(4.53)
GBP/USD	1.3202	3.36	GBP/JPY	145.11	3.66
USD/JPY	109.9500	(0.15)	EUR/JPY	124.39	(1.36)
USD/CHF	0.9923	1.14	EUR/CHF	1.1225	(0.21)

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1332 level during Monday's trading session and currently trading at 1.1312 EUR/USD. Resistance is at (1.1365-1.1415) any break above would take the pair up to 1.1520. Short term outlook is bearish, however medium term outlook is neutral.

GBP/USD: The pair moved up to the 1.3245 level during Monday's trading session and currently trading at 1.3183 GBP/USD. Support is at (1.3075-1.3130) any break below would take the pair down to 1.2945. Short term outlook is bearish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.06	2.44	2.69	2.94	3.13
USD	2.41	2.49	2.61	2.67	2.75
EUR	-0.45	-0.41	-0.33	-0.30	-0.18
GBP	0.69	0.73	0.83	0.94	1.06
CHF	-0.81	-0.78	-0.70	-0.65	-0.51
AUD	1.59	1.90	1.89	1.90	1.90

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
25-Mar-19	EUR	German Ifo Business Climate	99.6	98.7	98.5
26-Mar-19	USD	Building Permits		1.32M	1.32M
26-Jun-19	USD	CB Consumer Confidence		132.1	131.4
27-Mar-19	EUR	ECB President Draghi Speaks			
28-Mar-19	EUR	German Prelim CPI m/m		0.6%	0.4%
28-Mar-19	USD	Final GDP q/q		2.4%	2.6%
29-Mar-19	GBP	Current Account		-22.9B	26.5B
29-Mar-19	GBP	Final GDP q/q		0.2%	0.2%
29-Mar-19	CAD	GDP m/m			-0.1%
29-Mar-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	2.42	2.28	2.22	2.44	2.90
Germany	-0.59	-0.58	-0.43	-0.04	0.57
United Kingdom	0.63	0.62	0.74	0.97	1.46
Japan	-0.19	-0.18	-0.19	-0.08	0.52

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	67.51	1.11	Dow Jones	25,516.83	0.06
Brent	67.86	(0.03)	Nikkei 225	21,627.34	0.09
West Texas	58.66	(0.17)	S&P 500	2,798.36	(0.08)
Gold	1,318.83	(0.22)	KuwaitSE	5,565.26	0.37

All information has been sourced from Reuters.

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

For further information or discussion, please contact the Treasury Services Desk on TSD\_LIST@NBK.COM or +965 2221 6603 (TELEX : 46811 - FAX +965 2241 9720).