

**Highlights in the Foreign Exchange Market:**

- The White House has struck a deal with Congress to raise America's \$22 trillion borrowing limit until mid-2021. This means that the next budgetary discussion would occur after the 2020 presidential election. Under Trump's leadership, the budget deficit has risen significantly due to his 2017 tax cuts, showing lack of concern for high debt which is unusual for the Republican party's strategy. The deal was created by Democrat Nancy Pelosi and Steven Mnuchin - the speaker of the House of Representatives and the Treasury Secretary - and is expected to pass both houses of Congress and be signed by Trump in a matter of days. Federal Reserve Chairman Jerome Powell had said the fate of the debt ceiling was one of the main sources of uncertainty in the global economy, along with trade tensions with China and the Brexit debacle, which is currently driving the central bank to consider a cut in interest rates at this month's meeting.
- In equities, Asian stocks edged higher on Tuesday as investors prepare for a week of US corporate earnings. Shares in Tokyo took the lead, though trading has been mild across the region. Shares on China's new tech exchange, the Star Market, pulled back on its second day of trading after an average gain of 140% on Monday. On Wall Street, stocks ended higher as technology and oil stocks rallied. The dollar index edged up around 0.2%, while the pound suffered modest losses.
- Switching to commodities, oil prices were steady after recent gains as tensions between Iran and the UK threatened to disrupt energy flows from the crude-rich region. The renewed tensions follow five straight weeks of declines in US crude inventories, creating tighter supply in the market. Currently, a weak outlook on global demand and the continuous US-China trade war are keeping oil prices from rising even further. Brent crude is currently trading at the \$63.39, rising 2.4% from its \$61.93 level seen last week.

**US Dollar Index**



**Brent Crude**



**Chart Points and Other Technical Input**

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1090	1.1140	<b>1.1191</b>	1.1245	1.1295
GBP	1.2355	1.2405	<b>1.2456</b>	1.2510	1.2660
JPY	107.05	107.55	<b>108.08</b>	108.55	109.05
CHF	0.9745	0.9790	<b>0.9843</b>	0.9895	0.9945

**Major Currencies**

CCY	Closing Rate	YTD %
EUR/USD	1.1208	(2.44)
GBP/USD	1.2474	(2.38)
USD/JPY	107.8600	(1.90)
USD/CHF	0.9819	0.28

**Major Crosses**

CCY	Closing Rate	YTD %
EUR/GBP	0.8985	0.01
GBP/JPY	134.55	(3.82)
EUR/JPY	120.90	(4.10)
EUR/CHF	1.1006	(2.13)

**Brief Technical Commentary**

EUR/USD: The pair moved down to the 1.1204 level during Monday's trading session and currently trading at 1.1191 EUR/USD Support is at (1.1090-1.1140) any break below would take the pair down to 1.0910. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2454 level during Monday's trading session and currently trading at 1.2456 GBP/USD Support is at (1.2355-1.2375) any break below would take the pair down to 1.2215. Short term outlook is Bearish.

**Local & Global Rates**

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.19	2.50	2.75	2.94	3.13
USD	2.37	2.27	2.28	2.18	2.19
EUR	-0.44	-0.43	-0.40	-0.43	-0.34
GBP	0.69	0.72	0.77	0.80	0.86
CHF	-0.83	-0.82	-0.76	-0.73	-0.63
AUD	1.15	1.22	1.05	1.34	1.20

**Economic Events**

Date	Country	Event	Actual	Forecast	Previous
23-Jul-19	USD	Existing Home Sales		5.35M	5.34M
24-Jul-19	EUR	French Flash Services PMI		52.7	52.9
24-Jul-19	EUR	German Flash Manufacturing PMI		45.1	45
24-Jul-19	USD	Flash Manufacturing PMI		50.9	50.6
24-Jul-19	USD	Crude Oil Inventories			
25-Jul-19	EUR	Main Refinancing Rate		0.0%	0.0%
25-Jul-19	EUR	Monetary Policy Statement			
25-Jul-19	EUR	ECB Press Conference			
25-Jul-19	USD	Core Durable Goods Orders m/m		0.2%	0.4%
26-Jul-19	USD	Advance GDP q/q		1.8%	3.1%

**Government Yields**

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.94	1.83	1.81	2.06	2.58
Germany	-0.73	-0.79	-0.71	-0.34	0.25
United Kingdom	0.55	0.47	0.48	0.72	1.34
Japan	-0.19	-0.21	-0.24	-0.15	0.37

**Commodities**

Index	Last Price	% Change
Kuwait Oil	64.52	(0.78)
Brent	62.53	0.21
West Texas	56.41	0.28
Gold	1,414.61	(0.71)

**Global Indices**

Index	Last Price	% Change
Dow Jones	27,171.90	0.07
Nikkei 225	21,668.38	1.17
S&P 500	2,985.03	0.28
KuwaitSE	6,039.10	(0.39)

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