

Highlights in the Foreign Exchange Market:

- Stock markets on both sides of the Atlantic rallied yesterday, while US indices set a record close thanks to positive Covid-19 trials from biotech group Moderna. The S&P 500 appreciated 1.2% and the Nasdaq Composite advanced 0.8%. As for Europe, shares soared to more than eight month high with the STOXX 600 up 1.3%. The STOXX 600 has gained nearly 40% from its March lows and is on track for its best month in nearly three decades. The more pharmaceutical companies develop a vaccine that can prove to be effective, the more cheerful financial markets will be about being able to see the light at the end of the tunnel.
- In the FX sphere, the reaction seen in the currency market towards the vaccine was more muted, especially with vaccine distribution not expected any time soon. Markets' have already priced in such vaccine news but the road ahead is long for the vaccine to be completely developed and for economies to recover. Moreover, the US struggles to contain a second wave of infections. The US has exceeded 11 million coronavirus cases, 1 million new infections in just one week and 2 million since the beginning of the month. From this week's high of 92.844, the dollar index is down 0.35%.
- The weeks ahead are important in the fight against COVID-19, particularly for the US. European countries are already in two weeks lockdown and seeing little improvement. The outlook for the US is worrying. It will be hard for risk aversion to resume in financial markets as there are two vaccine candidates with efficacies at or above 90%. Therefore, the greenback could prolong its depreciation against the CHF, JPY, and AUD. However, the EUR and GBP have their own dilemmas that will become more apparent in the weeks ahead.

Nasdaq Index - YTD Performance



USD Index- YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1755	1.1810	1.1858	1.1910	1.1960
GBP	1.3125	1.3175	1.3223	1.3275	1.3325
JPY	103.50	104.00	104.49	105.00	105.55
CHF	0.9025	0.9070	0.9123	0.9175	0.9225

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1852	5.75	EUR/GBP	0.8980	-5.70
GBP/USD	1.3199	-0.29	GBP/JPY	138.02	4.32
USD/JPY	104.58	3.95	EUR/JPY	123.95	-1.71
USD/CHF	0.9128	5.93	EUR/CHF	1.08	0.38

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1868 level during Monday's trading session and currently trading at 1.1858. EUR/USD Resistance levels are at (1.1910-1.1960) any break above would take the pair up to 1.2015. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.3242 level during Monday's trading session and currently trading at 1.3223. GBP/USD Resistance levels are at (1.3275-1.3325) any break above would take the pair up to 1.3485. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.19	1.44	1.69	2.00
USD	0.10	0.14	0.22	0.25	0.34
EUR	-0.57	-0.57	-0.54	-0.51	-0.46
GBP	0.04	0.04	0.05	0.07	0.14
CHF	-0.82	-0.80	-0.77	-0.73	-0.61
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
12-Nov-20	EUR	ECB President Lagarde Speaks			
12-Nov-20	USD	Fed Chair Powell Speaks			
16-Nov-20	AUD	RBA Gov Lowe Speaks			
17-Nov-20	USD	Core Retail Sales m/m		0.6%	1.5%
17-Nov-20	USD	Retail Sales m/m		0.5%	1.9%
18-Nov-20	CAD	CPI m/m			-0.1%
19-Nov-20	AUD	Employment Change		-30K	-29.5K
19-Nov-20	USD	Unemployment Claims		707K	709K
19-Nov-20	EUR	ECB President Lagarde Speaks			
20-Nov-20	GBP	Retail Sales m/m		-0.4%	1.5%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	0.18	0.23	0.41	0.91	1.67
Germany	-0.73	-0.78	-0.74	-0.55	-0.14
United Kingdom	-0.04	-0.05	0.01	0.35	0.94
Japan	-0.15	-0.15	-0.12	0.02	0.64

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	42.33	0.88	Dow Jones	29,950.44	1.60
Brent	44.18	0.82	Nikkei 225	25,998.64	0.35
West Texas	41.61	0.65	S&P 500	3,626.91	1.16
Gold	1,887.76	-0.06	KuwaitSE	5,444.29	0.26

Global Indices

All information has been sourced from Bloomberg

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