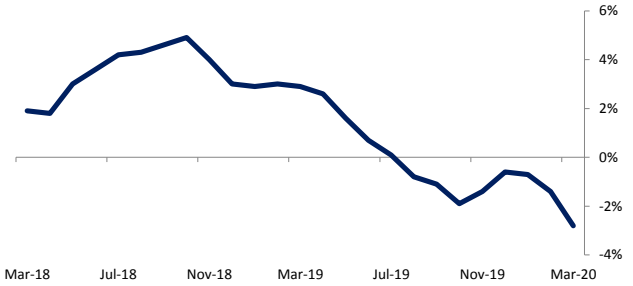


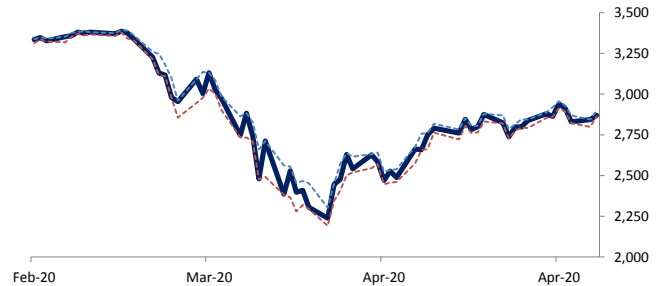
#### Highlights in the Foreign Exchange Market:

- Australia's central bank held both the cash rate and three-year bond yield target at 0.25% in their meeting yesterday. In March, the bank launched its unconventional policy and has so far purchased \$32.7 billion of securities. The unprecedented move is historical given the RBA did not turn to QE during the 2008-2009 crisis. In a statement Governor Lowe said "The bank is prepared to scale-up these purchases again and will do whatever is necessary to ensure bond markets remain functional and to achieve the yield target." Australia has avoided a recession for almost 30 years, and is now facing a possible 10% contraction for the quarter despite RBA and governmental efforts to support the economy through the crisis. Unemployment is facing a peak of 10% while inflation is expected to turn "negative temporarily" in the current quarter due to falls in oil prices.
- In Europe, as the pandemic sharply reduces demand for energy, euro-zone producer prices suffered their steepest fall since the 2008 financial crisis. Prices fell 1.5% m/m in March, registering a 2.8% y/y decline. Energy prices fell 5.5% m/m and 11.3% y/y in March, dragged down by the oil price war and deteriorating demand for fuel as economies around the world take measures to slow down the spread of the coronavirus.
- Wall Street rallied in yesterday's trading combined with a recovery for oil prices as many states eased restrictions. Other countries such as Italy have eased restrictions in an attempt to revive their battered economies, and may fuel a recovery in oil demand. The fear is that such optimism may be short lived if another wave of infections hit, forcing more lockdown measures and possibly harsher consequences for global economies.

**Eurozone Producer Prices y/y**  
2-Year Performance



**S&P 500 index**  
3-Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0695	1.0760	<b>1.0822</b>	1.0875	1.0925
GBP	1.2320	1.2370	<b>1.2425</b>	1.2480	1.2540
JPY	105.15	105.85	<b>106.37</b>	106.90	107.40
CHF	0.9610	0.9670	<b>0.9734</b>	0.9800	0.9850

#### Major Currencies

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.0838	(3.45)	EUR/GBP	0.8714	3.03	
GBP/USD	1.2434	(6.30)	GBP/JPY	132.55	(7.51)	
USD/JPY	106.5800	(2.34)	EUR/JPY	115.46	(5.64)	
USD/CHF	0.9725	0.60	EUR/CHF	1.0542	(2.91)	

#### Brief Technical Commentary

EUR/USD: The pair moved down to the 1.0815 level during morning trading session and currently trading at 1.0822. EUR/USD Supports are at (1.0695-1.0760) any break below would take the pair down to 1.0635. Short term outlook is Neutral.

GBP/USD: The pair moved down to the 1.2419 level during Tuesday's trading session and currently trading at 1.2425. GBP/USD Supports are at (1.2320-1.2370) any break below would take the pair down to 1.2270. Short term outlook is Neutral.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.25	1.50	1.75	2.00	2.25
USD	0.11	0.26	0.50	0.70	0.83
EUR	-0.51	-0.43	-0.17	-0.08	-0.05
GBP	0.09	0.18	0.50	0.64	0.76
CHF	-0.78	-0.72	-0.59	-0.54	-0.47
AUD	-0.08	0.05	0.30	0.44	0.56

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
5-May-20	AUD	Cash Rate	0.25%	0.25%	0.25%
5-May-20	AUD	RBA Rate Statement			
5-May-20	USD	ISM Non-Manufacturing PMI	41.8	37.5	52.5
6-May-20	NZD	Employment Change q/q	0.7%	-0.2%	0.0%
6-May-20	NZD	Unemployment Rate	4.2%	4.4%	4.0%
6-May-20	USD	ADP Non-Farm Employment Change		-20000K	-27K
7-May-20	CNY	Caixin Services PMI		50.5	43.0
7-May-20	GBP	Bank of England Meeting			
8-May-20	USD	Average Hourly Earnings m/m		0.3%	0.4%
8-May-20	USD	Non-Farm Payrolls		-2100K	-701K

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.15	0.19	0.38	0.67	1.34
Germany	-0.58	-0.80	-0.76	-0.57	-0.13
United Kingdom	0.03	0.00	0.07	0.21	0.56
Japan	-0.20	-0.18	-0.16	-0.05	0.42

#### Commodities

Index	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	22.96	6.79	Dow Jones	23,883.09	0.56
Brent	30.96	0.00	Nikkei 225	19,619.35	(2.84)
West Texas	24.46	(0.41)	S&P 500	2,868.44	0.90
Gold	1,705.20	(0.04)	KuwaitSE	4,896.67	0.03

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