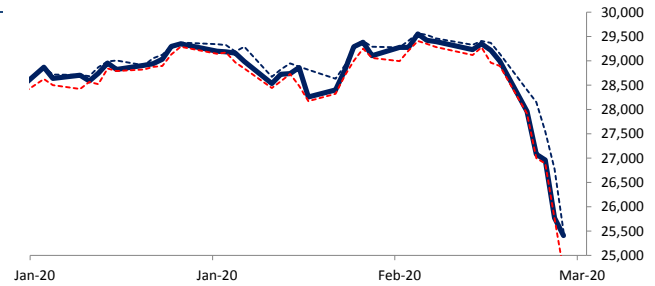


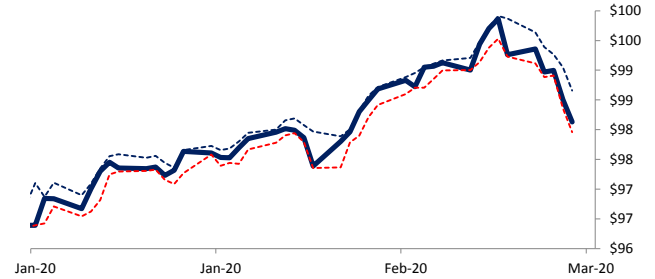
#### Highlights in the Foreign Exchange Market:

- Fear has set in markets throughout last week as the spread of the coronavirus sent market sentiment to risk aversion. Investors quickly opted out of risky assets, resulting in a meltdown in equities globally with the Nikkei leading the drop in major indices for the year dropping by 10.63%. Last Thursday entailed major drops in Wall Street with the Dow Jones losing 1,190 points, a 4.42% drop in a single trading session. In Europe and the UK, indices had double digit losses year-to-date as equities seem to be the most affected asset class by the current chaos. Treasury yields on the other hand dipped to record lows. The US 10-year treasury yield opened the week at 1.42% and dropped to 1.11%, an all-time low.
- As for monetary policy expectations, the market has been aggressive in pricing in cuts by the Fed in 2020 in reaction to the expected global growth and the worries from the effect of the coronavirus. The market has priced in 3 rate cuts by November 2020. The Fed's upcoming meeting which will be held in March 18th has an expected cut with a 100% probability as per the Fed Funds Futures. The expectation for major loosening in monetary policy which should result in narrower interest rate differentials has sent the greenback lower against its major rivals.
- In the FX sphere, the US dollar lost its momentum this week after the market priced in 3 interest rate cuts in 2020. The dollar index opened the week at 99.855 and continued to deteriorate as coronavirus spread globally and risk aversion set well in markets, finally closing at 98.132. Both CHF and JPY surged by 1.46% and 2.21% respectively against the US dollar as safe-haven assets were sought after by investors.

Dow Jones Industrial Average  
3-Month Performance



US Dollar Index  
3-Month Performance



#### Chart Points and Other Technical Input

| CCY | 2nd Support | 1st Support | Spot   | 1st Resistance | 2nd Resistance |
|-----|-------------|-------------|--------|----------------|----------------|
| EUR | 1.0891      | 1.0947      | 1.1025 | 1.1095         | 1.1160         |
| GBP | 1.2625      | 1.2710      | 1.2820 | 1.2907         | 1.3015         |
| JPY | 106.95      | 107.50      | 108.07 | 109.00         | 109.95         |
| CHF | 0.9500      | 0.9580      | 0.9653 | 0.9750         | 0.9841         |

#### Major Currencies

| CCY     | Closing Rate | YTD %  | Major Crosses | CCY    | Closing Rate | YTD % |
|---------|--------------|--------|---------------|--------|--------------|-------|
| EUR/USD | 1.1025       | (1.65) | EUR/GBP       | 0.8599 | 1.70         |       |
| GBP/USD | 1.2820       | (3.31) | GBP/JPY       | 138.49 | (3.0)        |       |
| USD/JPY | 108.0700     | (0.73) | EUR/JPY       | 119.17 | (2.2)        |       |
| USD/CHF | 0.9653       | (0.26) | EUR/CHF       | 1.0643 | (1.9)        |       |

#### Brief Technical Commentary

EUR/USD: EUR coursed higher against USD on the coronavirus contagion that's affecting the world. Northern Italy became the center of attention for such newflash. With USD being hit, EUR nudged up from 1.09 to above 1.10 even though German figures beat expectations, there is still room for a bullish trend for the EUR.

USD/JPY: The pair had the extreme movement among other major currencies throughout the week due to safe haven status. Again, the coronavirus turmoil damaged Asian markets as Japan have the highest number of cases after China. Nevertheless, since Monday, ranging between 111.00 to 112.00, the USD was weaker currency due to panic selling to reach a level on Friday of 107.5 until a strong support at 108.07 took over.

#### Local & Global Rates

| CCY | 1-Week | 1-Month | 3-Month | 6-Month | 1-Year |
|-----|--------|---------|---------|---------|--------|
| KWD | 2.00   | 2.31    | 2.56    | 2.81    | 3.06   |
| USD | 1.57   | 1.52    | 1.46    | 1.40    | 1.38   |
| EUR | -0.55  | -0.53   | -0.47   | -0.43   | -0.35  |
| GBP | 0.68   | 0.68    | 0.67    | 0.69    | 0.75   |
| CHF | -0.81  | -0.83   | -0.74   | -0.71   | -0.60  |
| AUD | 0.60   | 0.83    | 0.89    | 0.89    | 0.96   |

#### Economic Events

| Date     | Country | Event                      | Actual | Forecast | Previous |
|----------|---------|----------------------------|--------|----------|----------|
| 2-Mar-20 | CNY     | Caixin Manufacturing PMI   |        | 46.1     | 51.1     |
| 2-Mar-20 | USD     | ISM Manufacturing PMI      |        | 50.5     | 50.9     |
| 3-Mar-20 | AUD     | RBA Rate Statement         |        |          |          |
| 4-Mar-20 | AUD     | GDP q/q                    |        | 0.4%     | 0.4%     |
| 4-Mar-20 | CAD     | BOC Rate Statement         |        |          |          |
| 4-Mar-20 | USD     | ISM Non-Manufacturing PMI  |        | 55.1     | 55.5     |
| 5-Mar-20 | ALL     | OPEC Meetings              |        |          |          |
| 5-Mar-20 | GBP     | BOE Gov Carney Speaks      |        |          |          |
| 6-Mar-20 | USD     | Non-Farm Employment Change |        | 185K     | 225K     |
| 6-Mar-20 | USD     | Unemployment Rate          |        | 3.5%     | 3.6%     |

#### Government Yields

| Country        | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|----------------|--------|--------|--------|---------|---------|
| United States  | 1.00   | 0.93   | 0.95   | 1.16    | 1.68    |
| Germany        | -0.79  | -0.80  | -0.78  | -0.61   | -0.15   |
| United Kingdom | 0.47   | 0.30   | 0.33   | 0.44    | 0.94    |
| Japan          | -0.27  | -0.26  | -0.26  | -0.16   | 0.28    |

#### Commodities

| Index      | Last Price | % Change | Global Indices | Last Price | % Change |
|------------|------------|----------|----------------|------------|----------|
| Kuwait Oil | 51.18      | 0.27     | Dow Jones      | 25,409.36  | (1.39)   |
| Brent      | 49.67      | (3.98)   | Nikkei 225     | 23,386.74  | (3.39)   |
| West Texas | 44.76      | (4.95)   | S&P 500        | 2,954.22   | (0.82)   |
| Gold       | 1,584.74   | (3.48)   | KuwaitSE       | 5,589.93   | (1.60)   |

All information has been sourced from Reuters.

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