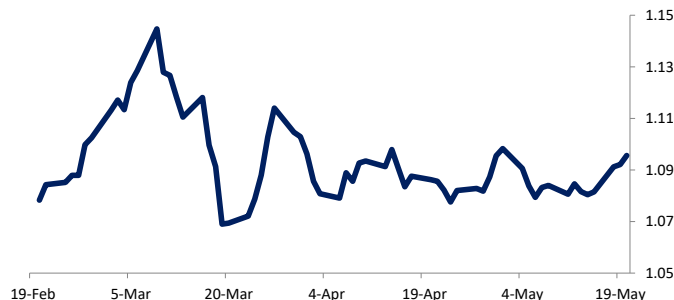


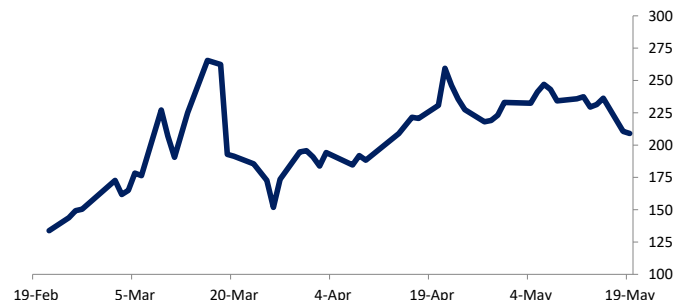
**Highlights in the Foreign Exchange Market:**

- The single currency rose yesterday to a two-week high of 1.0976, while eurozone yield spreads narrowed. The 10-year yield gap between German and Italian bonds, a reliable indicator on eurozone risk, constricted to its lowest in over a month. Improved sentiment in the single market was attributed to a Franco-German proposal worth 500 billion euros, that would offer grants to EU countries and segments hit hardest by the pandemic. Agreements between France and Germany habitually open the door for broader EU deals, which is expected to take place on May 27. The euro also took advantage from USD's weakness, which lost its safe-haven demand after inspiring trial results for a Covid-19 vaccine. Since the start of the week, EUR/USD has appreciated more than 1.2%.
- Bleak economic data has become the new norm globally and the latest figures out of the UK are no different. The number of citizens claiming unemployment benefits soared by 856,500 to 2.1 million between March and April, the highest rise ever recorded. The rise could have been much worse, but thanks to the government's effort to pay 80% of the wages of 8 million employees or approximately one in four workers placed on temporary leave. As for the unemployment rate, it fell by 0.1% to 3.9% in the January-March period. The aforementioned figure doesn't encompass the turmoil of the labor market as the data only covers one week of the lockdown which began on March 23. The UK's budget forecasters say unemployment may reach 10% in the April-June period, despite millions of employees protected by the government's wage subsidy scheme. With a final note, the Bank of England has warned that Britain could be heading for its sharpest economic slump in more than 300 years.

**EUR/USD**  
3-Month Performance



**German-Italian 10-Year Yield Spread**  
3-Month Performance



**Chart Points and Other Technical Input**

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0835	1.0890	<b>1.0943</b>	1.0995	1.1040
GBP	1.2165	1.2210	<b>1.2261</b>	1.2310	1.2375
JPY	106.75	107.30	<b>107.82</b>	108.30	108.80
CHF	0.9595	0.9655	<b>0.9701</b>	0.9760	0.9805

**Major Currencies**

CCY	Closing Rate	YTD %
EUR/USD	1.0921	(2.29)
GBP/USD	1.2251	(7.72)
USD/JPY	107.6800	(1.07)
USD/CHF	0.9712	(0.03)

**Major Crosses**

CCY	Closing Rate	YTD %
EUR/GBP	0.8914	5.88
GBP/JPY	131.93	(7.71)
EUR/JPY	117.63	(3.25)
EUR/CHF	1.0610	(2.31)

**Brief Technical Commentary**

EUR/USD: The pair moved up to the 1.0977 level during Tuesday's trading session and currently trading at 1.0943. EUR/USD Resistance are at (1.1040-1.1060) any break above would take the pair up to 1.1150. Short term outlook is Neutral.

GBP/USD: The pair moved up to the 1.2297 level during Tuesday's trading session and currently trading at 1.2261. GBP/USD Resistance are at (1.2345-1.2375) any break above would take the pair up to 1.2470. Short term outlook is Neutral.

**Local & Global Rates**

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.25	1.50	1.69	1.94	2.19
USD	0.09	0.17	0.38	0.63	0.72
EUR	-0.51	-0.44	-0.27	-0.12	-0.06
GBP	0.07	0.14	0.28	0.50	0.66
CHF	-0.79	-0.74	-0.63	-0.58	-0.46
AUD	0.01	0.08	0.25	0.40	0.62

**Economic Events**

Date	Country	Event	Actual	Forecast	Previous
13-May-20	GBP	Prelim GDP q/q	-2.0%	-2.6%	0.0%
15-May-20	EUR	German Prelim GDP q/q	-2.2%	-2.2%	-0.1%
15-May-20	USD	Core Retail Sales m/m	-17.2%	-8.6%	-4.0%
15-May-20	USD	Retail Sales m/m	-16.4%	-12.0%	-8.3%
19-May-20	USD	Fed Chair Powell Testifies			
20-May-20	USD	FOMC Meeting Minutes			
21-May-20	GBP	Flash Services PMI		20.0	13.4
21-May-20	USD	Flash Manufacturing PMI		37.5	36.1
22-May-20	GBP	Retail Sales m/m		-16.0%	-5.1%
22-May-20	EUR	German Flash Manufacturing PMI		39.0	34.5

**Government Yields**

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.15	0.17	0.34	0.70	1.42
Germany	-0.59	-0.68	-0.65	-0.46	-0.05
United Kingdom	0.00	-0.04	0.05	0.24	0.62
Japan	-0.19	-0.17	-0.13	0.00	0.46

**Commodities**

Index	Last Price	% Change
Kuwait Oil	26.54	(0.90)
Brent	34.77	0.35
West Texas	32.50	2.14
Gold	1,748.81	0.29

**Global Indices**

Index	Last Price	% Change
Dow Jones	24,206.86	(1.59)
Nikkei 225	20,595.15	0.79
S&P 500	2,922.94	(1.05)
KuwaitSE	4,894.35	1.43

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