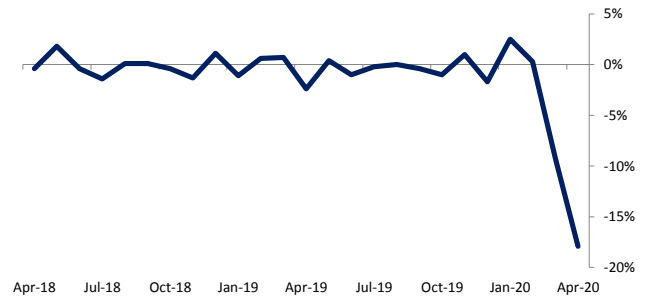


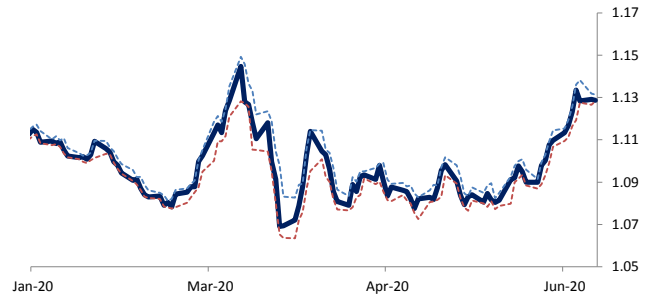
#### Highlights in the Foreign Exchange Market:

- "The COVID-19 pandemic and measures to contain the spread of the virus have caused an unprecedented contraction of economic activity in the euro area," Christine Lagarde said in a speech yesterday. The ECB President addressed charges by Germany's constitutional court that bond purchases conducted to lift inflation in the past five years might have disproportionate side effects. She went on to defend the most recent moves made by the ECB, saying the latest decision to expand the emergency bond-buying program by 600 billion euros to 1.35 trillion euros is "overwhelmingly positive." Still, the ECB expects an economic contraction of 8.7% in the euro area this year.
- The eurozone's largest economy saw industrial production fall by 17.9% in April following an 8.9% drop in March. The plummet came during the height of lockdowns for Germany, with the auto industry alone suffering a decline of 74.6% m/m. The figures are the worst on record, despite the country having a less severe epidemic than its peers.
- Meanwhile, the US National Bureau of Economic Research announced that the US economy entered a recession in February 2020. This downturn is the first since the last recession ended in 2009, and marks the end of the longest expansion since the 1850's.
- US equities continued to rally, with the Nasdaq hitting a record high on the same day an announcement was made that the US officially entered a recession. Stocks have seen an extraordinary rally thanks to central bank stimulus and optimism regarding a swift economic recovery. Still, doubt remains on the steepness of the rebound and whether investors are getting ahead of themselves.
- Looking at currencies, the euro failed to break higher in yesterday's trading session despite continuous gains last week. The sterling traded higher, breaking the 1.27 level while USD/JPY fell well below 109.

Germany's Industrial Production m/m  
2-Year Performance



EUR/USD  
6-Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1185	1.1235	1.1288	1.1335	1.1385
GBP	1.2610	1.2660	1.2709	1.2760	1.2810
JPY	107.00	107.50	108.02	108.55	109.05
CHF	0.9475	0.9530	0.9580	0.9635	0.9680

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1292	0.67	EUR/GBP	0.8874	5.09
GBP/USD	1.2722	(4.19)	GBP/JPY	137.91	(3.92)
USD/JPY	108.4200	(0.80)	EUR/JPY	122.46	(0.06)
USD/CHF	0.9576	(1.04)	EUR/CHF	1.0816	(0.35)

#### Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1269 level during Monday's trading session and currently trading at 1.1288. EUR/USD Resistance is at (1.1335-1.1385) any break above would take the pair up to 1.1490. Short term outlook is Bullish.

GBP/USD: The pair moved down to the 1.2631 level during Monday's trading session and currently trading at 1.2709. GBP/USD Resistance is at (1.2760-1.2780) any break above would take the pair up to 1.2870. Short term outlook is Bullish.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.25	1.50	1.69	1.94	2.13
USD	0.10	0.18	0.31	0.48	0.63
EUR	-0.52	-0.48	-0.38	-0.24	-0.15
GBP	0.06	0.09	0.22	0.38	0.57
CHF	-0.80	-0.78	-0.66	-0.58	-0.46
AUD	0.02	0.18	0.27	0.40	0.55

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
7-Jun-20	CNY	Trade Balance	443B	283B	318B
8-Jun-20	JPY	Final GDP Price Index y/y		0.9%	0.9%
8-Jun-20	EUR	ECB President Lagarde Speaks			
8-Jun-20	JPY	GDP q/y	-6.8%	-6.2%	6.0%
8-Jun-20	EUR	German Industrial Production m/m	-17.9%	-16%	-9.2%
10-Jun-20	USD	Core CPI m/m		0.0%	-0.4%
10-Jun-20	USD	Federal Funds Rate		<0.25%	<0.25%
10-Jun-20	USD	FOMC Economic Projections			
11-Jun-20	USD	Unemployment Claims		1550K	1877K
12-Jun-20	GBP	GDP m/m		-18.0%	-5.8%

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.17	0.22	0.43	0.84	1.60
Germany	-0.59	-0.63	-0.58	-0.32	0.21
United Kingdom	0.05	-0.01	0.08	0.34	0.78
Japan	-0.18	-0.17	-0.11	0.01	0.54

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	34.46	(4.12)	Dow Jones	27,572.44	1.70
Brent	40.80	0.42	Nikkei 225	23,036.74	(0.61)
West Texas	38.12	0.73	S&P 500	3,232.39	1.20
Gold	1,696.39	0.11	KuwaitSE	5,110.37	0.88

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