

Highlights in the Foreign Exchange Market:

- Canada lost a record-breaking 2 million jobs in April while unemployment surged to 13.0%. The numbers were not as bad as markets had predicted, though the figure has not counted those temporarily out of jobs and expected to return once restrictions are relaxed. As the crisis intensified, Prime Minister Justin Trudeau said they were to begin an emergency wage subsidy program beyond June to "help kick-start our economic reopening and boost jobs". While most non-essential businesses have remained shut since mid-March, some provinces have gradually begun reopening their economies. The Canadian dollar strengthened against the USD, reaching a one-week high at around 71.9.
- Looking ahead, the US government is about to raise a record \$96 billion to provide funding as the economy heads into a recession. The Treasury is preparing to boost the amount of debt it plans to issue in the coming quarterly refunding auctions. Held on May 20, the auction will represent the first re-booted 20-year bond. Treasury Secretary Steven Mnuchin's plans come as the Trump administration braces for an estimated 40% contraction in economic growth for Q2. Last week, investor's responded by selling Treasuries, pushing the 10-year rate to its highest since mid-April at 0.74% while later retreating. As long-end rates drive up, the two-year yield is near a record low of 0.1490. The Fed has in the meantime promised to keep rates near zero to aid the hurting economy.

USD/CAD YTD performance



US 10-Year Treasury Yield

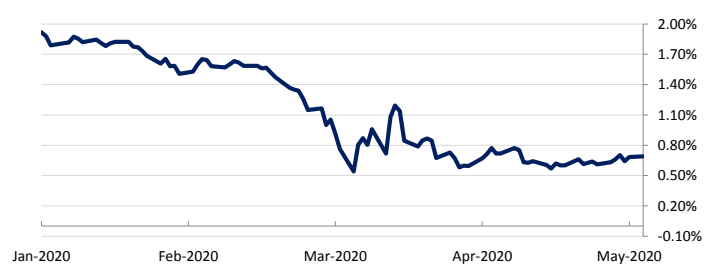


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0740	1.0790	1.0841	1.0890	1.0940
GBP	1.2310	1.2365	1.2417	1.2465	1.2515
JPY	105.90	106.45	106.95	107.55	108.05
CHF	0.9610	0.9660	0.9708	0.9765	0.9805

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.0839	-3.32
GBP/USD	1.2410	-6.40
USD/JPY	106.65	1.36
USD/CHF	0.9713	-0.49

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8736	-3.17
GBP/JPY	132.30	8.36
EUR/JPY	115.50	4.83
EUR/CHF	1.05	3.09

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.0875 level during Friday's trading session and currently trading at 1.0841. EUR/USD Supports are at (1.0740-1.0790) any break below would take the pair down to 1.0620. Short term outlook is Neutral.

GBP/USD: The pair moved up to the 1.2467 level during Friday's trading session and currently trading at 1.2417. GBP/USD Supports are at (1.2310-1.2365) any break below would take the pair down to 1.2245. Short term outlook is Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.50	1.75	2.00	2.25
USD	0.11	0.20	0.43	0.69	0.78
EUR	-0.51	-0.43	-0.24	-0.09	-0.04
GBP	0.08	0.16	0.37	0.58	0.75
CHF	-0.79	-0.72	-0.61	-0.57	-0.45
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
8-May-20	USD	Non-Farm Employment Change	-205000K	-22000K	-870K
8-May-20	USD	Unemployment Rate	14.7%	16%	4.4%
8-May-20	USD	Average Hourly Earnings m/m	4.7%	0.5%	0.5%
11-May-20	NZD	ANZ Business Confidence			-66.6
12-May-20	USD	CPI m/m		-0.7%	-0.4%
12-May-20	USD	Core CPI m/m		-0.2%	-0.1%
13-May-20	GBP	Prelim GDP q/q		-2.5%	0.0%
14-May-20	AUD	Employment Change			
14-May-20	USD	Unemployment Claims			3169K
15-May-20	USD	Retail Sales m/m		-11%	-8.7%

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	0.15	0.22	0.34	0.69	1.40
Germany	-0.78	-0.80	-0.75	-0.53	-0.06
United Kingdom	0.00	0.04	0.09	0.26	0.58
Japan	-0.19	-0.18	-0.12	0.00	0.46

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	21.75	1.16	Dow Jones	24,331.32	1.91
Brent	30.61	-1.16	Nikkei 225	20,390.66	1.05
West Texas	24.46	-1.13	S&P 500	2,929.80	1.69
Gold	1,705.68	0.18	KuwaitSE	4,812.36	-1.02

All information has been sourced from Bloomberg

This Treasury Newsletter is a publication of the National Bank of Kuwait ("NBK"). Although the information in this document has been prepared in good faith and from sources which we believe to be reliable, we do not represent or warrant its accuracy and such information may not necessarily represent the actual market data. NBK accepts no liability whatsoever for any loss or damage arising from the use of this document or reliance on the information contained herein. NBK will not be responsible for the consequence of reliance upon any opinion or statement contained herein.

For further information or discussion, please contact the Treasury Services Desk on TSD_LIST@NBK.COM or +965 2221 6603 FAX +965 2241 9720.