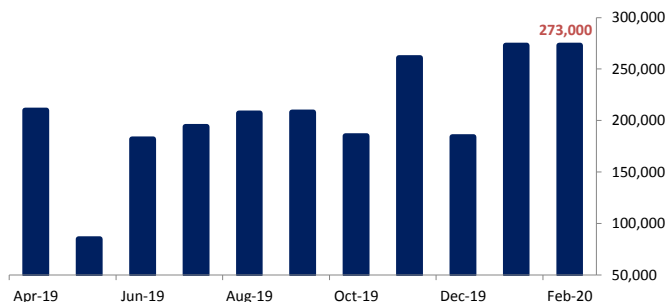


Highlights in the Foreign Exchange Market:

- Manufacturing activity in the US grew at a slower than expected pace in February, falling to 50.1 from the 50.9 in January. The slow growth has coincided with the coronavirus spreading throughout China and the rest of the world, denting expectations over global economic growth and corporate profits. The services sector on the other hand showed a pickup, defying the economic fallout from the global spread of coronavirus. The non-manufacturing sector jumped to a reading of 57.3 in February, up from the 55.5 figure clocked in January and slashing economists' expectations of a slowdown to 54.9. The survey showed that most respondents expressed concern about the coronavirus and its supply chain impact, but "they do remain positive about business conditions and the overall economy," said Anthony Nieves, chair of the ISM non-manufacturing business survey committee.
- Other data revealed the closely watched figures of nonfarm payrolls and unemployment showed some positive sentiment for the US economy. The figures showed that US employers maintained a robust pace of hiring in February, giving the economy a needed boost as it battles the coronavirus. The report showed nonfarm payrolls increase by 273,000 in February, smashing the expected 175,000. Unemployment also showed a resilient figure falling from 3.6% in January to 3.5% in February, while average hourly earnings rose by 0.3%.
- US stocks saw their weakest performance since the 2008 financial crisis as news of the coronavirus outbreak drained investor confidence. The Fed rate now sits just 1% above 0, while policy is near maxed out in Japan and Europe, leaving major global central banks with little room to act if needed. Markets reacted negatively to the sudden cut by the US Fed, though some recovery was seen after the US House of Representatives passed an \$8.3 billion emergency spending package last Wednesday. The package aimed at strengthening the country's virus response and developing treatments. Unfortunately, that recovery did not last and equities went back to a negative trajectory on Thursday.

US Non-farm Payrolls
1-Year Performance



S&P 500
3-Month Performance

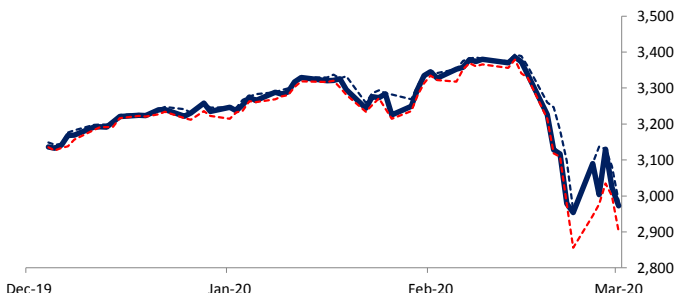


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1125	1.1212	1.1285	1.1350	1.1486
GBP	1.2857	1.2943	1.3047	1.3130	1.3210
JPY	103.86	104.54	105.30	106.00	107.00
CHF	0.9240	0.9320	0.9372	0.9420	0.9500

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.1285	0.67
GBP/USD	1.3047	(1.60)
USD/JPY	105.3000	(3.27)
USD/CHF	0.9372	(3.16)

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8650	2.32
GBP/JPY	137.38	(3.79)
EUR/JPY	118.90	(2.50)
EUR/CHF	1.0583	(2.48)

Brief Technical Commentary

EUR/USD: EUR has surged as the Fed cut rates in response to the contagion coronavirus. The USD went down fall due to more interest rates cuts in the upcoming period. The emergency cut of 50 basis points weighted heavily on the major currencies and is expected to continue. Further global economic damage is expected.

USD/JPY: The Japanese yen was the currency to be bought amid of such turmoil crises. The safe haven status took its role especially after the emergency cut from the Federal Reserve, as the Global economy are turning a blind eye for any economic facts. USDJPY will continue to go further to the 105.00-103.00 level as long as there are forecast of weaker USD.

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	1.07	0.86	0.90	0.88	0.85
EUR	-0.57	-0.57	-0.52	-0.47	-0.40
GBP	0.60	0.56	0.52	0.53	0.60
CHF	-0.84	-0.88	-0.81	-0.78	-0.68
AUD	0.45	0.70	0.70	0.70	0.70

Economic Events

Date	Country	Event	Actual	Forecast	Previous
6-Mar-20	USD	Non-Farm Employment Change	273K	185K	225K
6-Mar-20	USD	Unemployment Rate	3.5%	3.5%	3.6%
10-Mar-20	CNY	CPI y/y		5.2%	5.4%
11-Mar-20	GBP	GDP m/m		0.2%	0.3%
11-Mar-20	GBP	Manufacturing Production		0.2%	0.3%
11-Mar-20	USD	CPI m/m		0.0%	0.1%
11-Mar-20	USD	Core CPI m/m		0.2%	0.2%
11-Mar-20	USD	Crude Oil Inventories			0.8M
12-Mar-20	USD	Core PPI m/m		0.2%	0.5%
12-Mar-20	EUR	Monetary Policy Statement			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.37	0.50	0.61	0.77	1.29
Germany	-0.81	-0.88	-0.87	-0.72	-0.28
United Kingdom	0.19	0.08	0.12	0.22	0.67
Japan	-0.33	-0.30	-0.28	-0.15	0.30

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	47.24	(3.12)	Dow Jones	25,864.78	(0.98)
Brent	45.27	(9.44)	Nikkei 225	20,749.75	(2.72)
West Texas	41.28	(10.07)	S&P 500	2,972.37	(1.71)
Gold	1,673.85	0.21	KuwaitSE	5,455.72	(0.93)

All information has been sourced from Reuters.

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 (TELEX : 46811 - FAX +965 2241 9720).