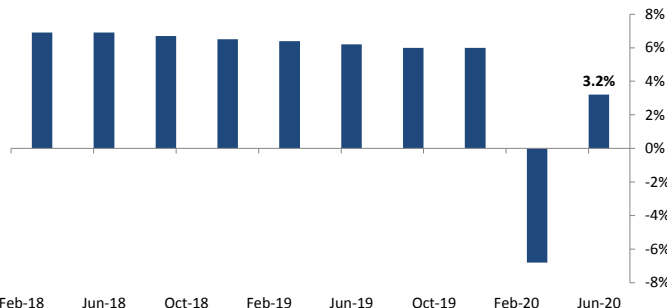


Highlights in the Foreign Exchange Market:

- China's economy returned to growth during the second quarter in an early sign of recovery from the coronavirus pandemic. GDP grew 3.2% in Q2 of 2020, exceeding forecasts of a 2.2% growth and follows a record 6.8% decline. However, retail sales fell by 3.9% in the same quarter, signaling continued pressure on consumption. The unemployment was at 5.7%, only a slight improvement from May's 5.9% figure.
- The Bank of Canada predicts economic activity will not return to pre-pandemic levels until 2022 and interest rates will remain low for at least two years. In its meeting yesterday, it again held its key overnight rate steady, mentioning it will remain so until the 2% inflation target is sustainably achieved. "We recognize that households and businesses are facing an unusual amount of uncertainty. Against that background, we are being unusually clear that interest rates are going to be low for a long time," BOC Governor Tiff Macklem said. Canada will also face fallout as its largest trading partner, the US, faces a rapid rise in coronavirus cases. GDP is projected to fall 7.8% in 2020, then rise 5.1% in 2021, and reach pre-pandemic levels in early 2022.
- Oil prices rose around 2% in yesterday's trading, supported by reports of a sharp drop in US crude inventories. Gains were however limited as OPEC+ discuss easing supply curbs from August. The Energy Information Administration revealed inventories fell 7.5 million barrels last week, compared with expectations for a 2.1 million-barrel drop. Brent crude rose 1.8% in yesterday's trading to \$43.85.
- The dollar continued on its gradual decline, with the index dropping to a low of 95.777 in yesterday's trading. The euro advanced, rising around 1% this past week trading above the 1.14 level.

China's GDP q/y
2-Year Performance



EUR/USD
3-Month Performance

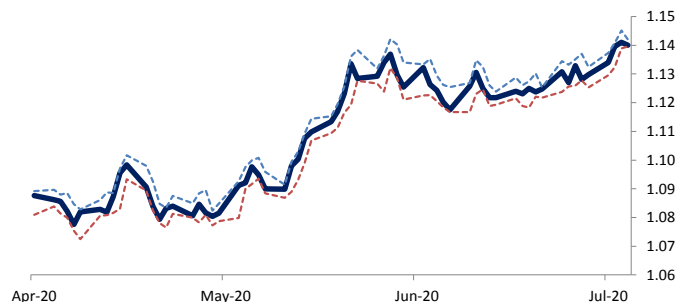


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1300	1.1350	1.1405	1.1455	1.1505
GBP	1.2460	1.2505	1.2558	1.2605	1.2655
JPY	105.85	106.35	106.88	107.40	107.90
CHF	0.9360	0.9405	0.9455	0.9505	0.9560

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1410	1.69	EUR/GBP	0.9068	7.40
GBP/USD	1.2580	(5.32)	GBP/JPY	134.54	(5.98)
USD/JPY	106.9200	(1.77)	EUR/JPY	122.02	(0.03)
USD/CHF	0.9441	(2.28)	EUR/CHF	1.0775	(0.65)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1451 level during Wednesday's trading session and currently trading at 1.1405. EUR/USD Resistance levels are at (1.1455-1.1505) any break above would take the pair up to 1.1565. Short term outlook is Bullish.

GBP/USD: The pair moved up to the 1.2649 level during Wednesday's trading session and currently trading at 1.2558. GBP/USD Resistance levels are at (1.2605-1.2655) any break above would take the pair up to 1.2815. Short term outlook is Bullish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.31	1.56	1.81	2.13
USD	0.11	0.18	0.27	0.34	0.48
EUR	-0.54	-0.50	-0.44	-0.37	-0.28
GBP	0.06	0.07	0.08	0.22	0.37
CHF	-0.82	-0.77	-0.69	-0.64	-0.51
AUD	-0.02	0.08	0.13	0.24	0.20

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Jul-20	CAD	Employment Change	952.9K	700.0K	289.6K
10-Jul-20	CAD	Unemployment Rate	12.3%	12.0%	13.7%
13-Jul-20	GBP	BOE Gov Bailey Speaks			
14-Jul-20	USD	CPI m/m	0.6%	0.6%	-0.1%
14-Jul-20	USD	Core CPI m/m	0.2%	0.1%	-0.1%
15-Jul-20	JPY	BOJ Outlook Report			
15-Jul-20	JPY	Monetary Policy Statement			
15-Jul-20	CAD	BOC Monetary Policy Report			
15-Jul-20	CAD	Overnight Rate	0.25%	0.25%	0.25%
16-Jul-20	USD	Retail Sales m/m		4.6%	17.7%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.14	0.15	0.29	0.62	1.32
Germany	-0.61	-0.69	-0.66	-0.45	-0.04
United Kingdom	-0.03	-0.10	-0.06	0.16	0.68
Japan	-0.18	-0.15	-0.13	0.01	0.59

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	42.80	(0.23)	Dow Jones	26,870.10	0.85
Brent	43.35	(0.59)	Nikkei 225	22,758.52	(0.81)
West Texas	40.87	(0.80)	S&P 500	3,226.56	0.91
Gold	1,807.23	(0.22)	KuwaitSE	5,087.66	(0.13)

Global Indices

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).