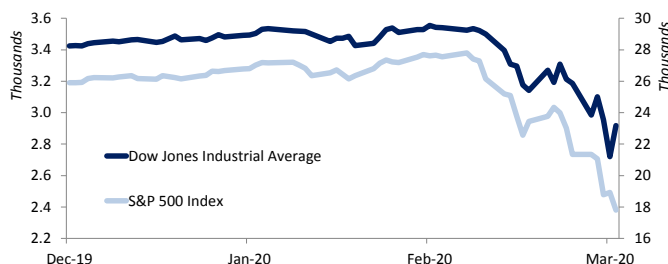


Highlights in the Foreign Exchange Market:

- Kuwait's Central Bank opted to cut its discount rate by 100 bps from 2.5% to 1.5% yesterday following the Fed's second emergency cut. This marks the lowest level in history for Kuwait. The bank lowered the rate as part of a series of precautionary measures "for the consequences of the outbreak of the coronavirus and its implications for the national economy and the local market", it said on Twitter. Kuwait's premier index is now down 29.07% year-to-date to the lowest level since October 2018. Last week, we saw a halt in premier market trading due to a 10% decline in one day alone.
- Such moves have been seen by central banks across the globe, dramatically stepping up efforts to boost sentiment and improve the deteriorating economic outlook due to the Covid-19 outbreak. Coordinated efforts initiated by the Fed and later seen with the Bank of Japan and the European Central Bank came amid a meltdown in financial markets as investor anxiety worsens. This triggered actions by central banks in New Zealand, Japan, South Korea, and Australia to inject liquidity as the pandemic threatens a global recession. The RBNZ slashed rates to record lows, while the RBA pumped extra liquidity and announced more steps on Thursday. Later, the BOJ eased policy as well by ramping up purchases of ETFs and other risky assets while South Korea stepped in with a 50 bps cut. The People's Bank of China kept rates steady though rolled out stimulus measures and is expected to cut later this week.
- Yesterday Trump said the US may be headed towards a recession, adding that the effort to combat the coronavirus may last until August or longer. Stocks plummeted, wiping out trillions of dollars in market value and continuing one of the darkest periods in markets seen since the financial crisis. This triggered circuit breakers for the third time in a week, temporarily suspending trading. So far, the S&P 500 index has fallen approximately 30% and lost around \$6 trillion since its record closing high in mid-February. Treasuries rallied as investors took profit while crude oil continued to fall.

US Equities 3-Month Performance



Kuwait Premier Market Index 3-Month Performance

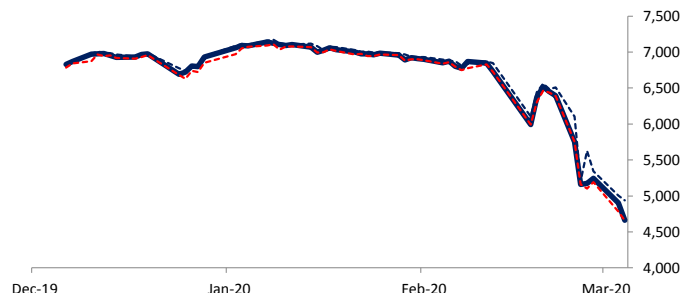


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1040	1.1100	1.1183	1.1240	1.1300
GBP	1.2175	1.2200	1.2255	1.2321	1.2400
JPY	103.80	105.72	106.46	107.55	108.50
CHF	0.9380	0.9427	0.9475	0.9540	0.9600

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1181	(0.37)	EUR/GBP	0.9113	7.91
GBP/USD	1.2266	(7.69)	GBP/JPY	129.89	(8.84)
USD/JPY	105.8500	(2.31)	EUR/JPY	118.38	(2.60)
USD/CHF	0.9469	(1.99)	EUR/CHF	1.0587	(2.35)

Brief Technical Commentary

EUR/USD: Coronavirus packages are being spent around the world, a bigger economic impact to each country dragging them to a recession. Nevertheless, after the 4 day downturn of the EUR against the USD, the European currency is settling close to the 1.1200 having good support to the 1.1050's.

GBP/USD: Growing expectation from the Bank of England to cut interest rates, global stock markets are in a bearish territory. The Pound will show more weakness against the EUR and USD as investors fear UK will run a sizable current account deficit. In case of a retracement there would be bull to reach 1.25 but a downside is the favorite to reach 1.2100

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.94	2.25	2.50	2.75	3.00
USD	0.85	0.80	0.84	0.82	0.82
EUR	-0.55	-0.53	-0.43	-0.38	-0.30
GBP	0.21	0.28	0.51	0.61	0.71
CHF	-0.85	-0.85	-0.79	-0.75	-0.64
AUD	0.55	1.68	0.65	0.73	0.80

Economic Events

Date	Country	Event	Actual	Forecast	Previous
13-Mar-20	EUR	Main Refinancing Rate	0.00%	0.00%	0.00%
16-Mar-20	CNY	Industrial Production y/y	-13.5	-3.0%	6.9%
16-Mar-20	All	G7 Meetings			
17-Mar-20	AUD	Monetary Policy Meeting Minutes			
17-Mar-20	EUR	German ZEW Economic Sentiment		-25	8.7
17-Mar-20	USD	Retail Sales		0.2%	0.3%
18-Mar-20	CAD	CPI m/m			0.3%
18-Mar-20	USD	FOMC Statement			
18-Mar-20	USD	Federal Funds Rate		<0.75%	<1.25%
19-Mar-20	NZD	GDP q/q		0.5%	0.7%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.12	0.39	0.53	0.77	1.33
Germany	-0.92	-0.93	-0.72	-0.48	-0.19
United Kingdom	0.23	0.23	0.36	0.42	0.90
Japan	-0.26	-0.20	-0.11	0.00	0.35

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	32.23	4.44	Dow Jones	20,188.52	(12.93)
Brent	30.62	1.90	Nikkei 225	16,989.87	(0.07)
West Texas	29.81	3.87	S&P 500	2,386.13	(11.98)
Gold	1,488.03	(1.71)	KuwaitSE	4,456.43	(0.87)

All information has been sourced from Reuters.

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