



Highlights in the Foreign Exchange Market:

- Investor sentiment in Germany dropped sharply in February, adding to an increasingly worrisome picture for Europe's largest economy. Sentiment for the German economy fell 18 points this month to a reading of 8.7, significantly below January's reading of 26.7 and the 21.5 expected. The feared negative effect of the coronavirus epidemic in China is a leading cause for the decline, although the German economy has been struggling for some time now. Germany's manufacturing sector suffered its worst year for a decade last year following a sharp decline in orders. Figures show the economy flat lined in the fourth quarter, producing zero growth. For the whole of 2019, the economy expanded just 0.4%.
- On a brighter note, on Friday German Flash Manufacturing PMI rose to 47.8, up from its 45.3 previous and 44.8 expected. Services remained resilient registering at 53.3, lower than the 53.9 expected and 54.2 seen prior. Despite reports of a slump in both exports and sentiment linked to the impact of the coronavirus, the manufacturing sector has moved closer to stabilization as surveys indicates slower falls in output, new orders and employment. Though the figure still represents a contraction, it is still the highest value seen since January 2019. The euro rose following the release of the data, while European stocks recovered some of their earlier losses.
- Oil prices rose to their highest in three weeks largely in response to China's latest economic stimulus measures. The rebound follows a heavily shorted market in the early weeks of the coronavirus outbreak. Oil had rallied on speculation that the worst economic impact of the virus has been accounted for. A smaller than expected increase in US crude stockpiles was also a positive for the global supply. Still, global investors remained nervous regarding supply chains dependent on Chinese manufacturing.

Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0700	1.0780	1.0843	1.0920	1.0990
GBP	1.2760	1.2810	1.2954	1.3020	1.0309
JPY	110.10	110.95	111.53	112.00	112.75
CHF	0.9690	0.9710	0.9780	0.9810	0.9900

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0843	(3.27)	EUR/GBP	0.8372	(0.97)
GBP/USD	1.2969	(2.22)	GBP/JPY	144.60	1.27
USD/JPY	111.5700	2.49	EUR/JPY	120.97	(0.79)
USD/CHF	0.9780	1.05	EUR/CHF	1.0611	(2.22)

Major Crosses

Brief Technical Commentary

EUR/USD: Over sold EURUSD continued as German figures continued to a weaker growth reaching 1.0777. Nevertheless, the bearish trend paused when US data as well weren't as expected hence profit taking of lower Euro with some correction lifted the EUR to 1.0840's. Lower trend is inevitable, as USD is becoming the safe haven currency among others with effects of turbulences in the global economy.

GBP/USD: GBP/USD has been volatile with rocky figures from the US which helped investors take profit from a persistent USD strength. The USD bullishness lowered cable to 1.2850's earlier as more BREXIT concerns are weighing heavily on the currency. However, Cable is well supported due to EUR weakness mainly against GBPEUR. The global health crisis is a constant subject which adds more volatility in the market.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.00	2.31	2.50	2.75	3.00
USD	1.58	1.63	1.68	1.67	1.73
EUR	-0.55	-0.52	-0.44	-0.40	-0.31
GBP	0.69	0.71	0.75	0.80	0.89
CHF	-0.80	-0.79	-0.72	-0.68	-0.55
AUD	0.70	0.90	0.95	0.96	1.04

Economic Events

Date	Country	Event	Actual	Forecast	Previous
18-Feb-20	EUR	German ZEW Economic Sentiment	8.7	20.0	26.7
19-Feb-20	CAD	CPI m/m	0.3%	0.2%	0.0%
19-Feb-20	USD	FOMC Meeting Minutes			
21-Feb-20	EUR	German Flash Manufacturing PMI	47.8	44.8	45.3
21-Feb-20	USD	Flash Manufacturing PMI	50.8	51.5	51.9
24-Feb-20	NZD	Retail Sales q/q		0.8%	1.6%
2-Mar-20	CNY	Caixin Manufacturing PMI			
2-Mar-20	USD	ISM Manufacturing PMI			
3-Mar-20	AUD	RBA Rate Statement			
4-Mar-20	AUD	GDP q/q			0.4%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.42	1.35	1.32	1.47	1.92
Germany	-0.65	-0.66	-0.63	-0.44	0.04
United Kingdom	0.61	0.50	0.45	0.57	1.00
Japan	-0.18	-0.18	-0.18	-0.08	0.33

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	58.42	0.24	Dow Jones	28,992.41	(0.78)
Brent	58.50	(1.37)	Nikkei 225	23,386.74	(0.39)
West Texas	53.38	(0.93)	S&P 500	3,337.75	(1.05)
Gold	1,643.32	1.48	KuwaitSE	6,188.37	1.18

All information has been sourced from Reuters.

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