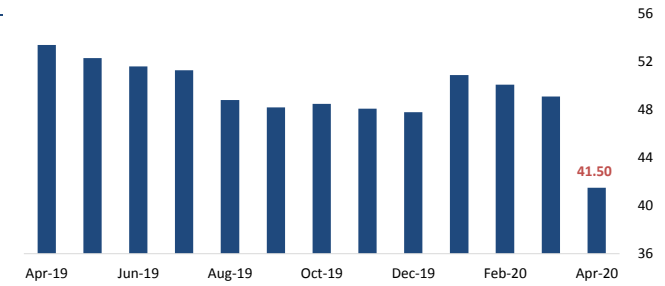


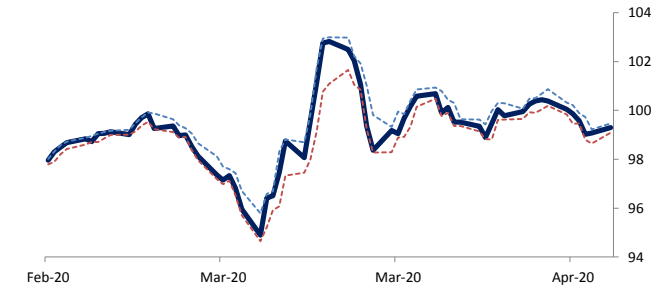
#### Highlights in the Foreign Exchange Market:

- US manufacturing activity fell to an 11-year low in April as the coronavirus pandemic devastated supply chains. Last week, the Institute for Supply Management revealed the index of national factory activity fell to 41.5 last month, the lowest level since 2009. This followed a 49.1 contraction in March, and marked the biggest monthly decline since 2008. Manufacturing was already struggling before the pandemic brought the economy to a stand-still. The ISM manufacturing index has fallen seven of the last nine months due to President Donald Trump's trade war with China which ended up raising costs and heightening uncertainties. Looking at China's manufacturing activity, the sector is now hit by slowing export demand due to the economic impact of the virus even as the economy resumed production. In the first quarter of 2020, China's GDP contracted by 6.8% from a year ago. This marks the first decline since at least 1992 when official records began.
- The collapse in consumer spending and the 30.3 million Americans who have filed claims for unemployment in the last six weeks due to the pandemic illustrates the deepest economic contraction for the US seen since the Great Recession. Still, a recent bout of optimism regarding the virus peaking and states re-opening soon has sent US stocks in a rally. Wall Street enjoyed a big recovery last week, though ended it on a hesitant note due to Trump's accusatory language towards China. The US dollar index lost some ground ending last week below the 100-mark.

US Manufacturing PMI  
1-Year Performance



US Dollar Index  
3-Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0830	1.0885	1.0942	1.1020	1.1090
GBP	1.2340	1.2390	1.2443	1.2520	1.2600
JPY	105.80	106.30	106.76	107.40	108.05
CHF	0.9505	0.9570	0.9632	0.9680	0.9740

#### Major Currencies

CCY	Closing Rate	YTD %	Major Crosses	CCY	Closing Rate	YTD %
EUR/USD	1.0983	(2.40)	EUR/GBP	0.8783	3.95	
GBP/USD	1.2502	(6.12)	GBP/JPY	133.53	(6.98)	
USD/JPY	106.9300	(1.98)	EUR/JPY	117.39	(4.25)	
USD/CHF	0.9612	(0.41)	EUR/CHF	1.0552	(2.81)	

#### Brief Technical Commentary

EUR/USD: The pair moved down to the 1.0923 level during morning trading session and currently trading at 1.0942. EUR/USD Supports are at (1.0830-1.0885) any break below would take the pair down to 1.0760. Short term outlook is Neutral.

GBP/USD: The pair moved down to the 1.2422 level during morning trading session and currently trading at 1.2443. GBP/USD Supports are at (1.2340-1.2390) any break below would take the pair down to 1.2270. Short term outlook is Neutral.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.25	1.50	1.75	2.00	2.25
USD	0.12	0.30	0.54	0.71	0.84
EUR	-0.50	-0.42	-0.17	-0.08	-0.04
GBP	0.09	0.18	0.55	0.65	0.80
CHF	-0.78	-0.72	-0.59	-0.55	-0.46
AUD	-0.02	0.10	0.30	0.45	0.53

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
5-May-20	AUD	Cash Rate		0.25%	0.25%
5-May-20	AUD	RBA Rate Statement			
5-May-20	USD	ISM Non-Manufacturing PMI		37.5	52.5
6-May-20	NZD	Employment Change q/q		-0.2%	0.0%
6-May-20	NZD	Unemployment Rate		4.4%	4.0%
6-May-20	USD	ADP Non-Farm Employment Change		-20000K	-27K
7-May-20	CNY	Caixin Services PMI		50.5	43.0
7-May-20	GBP	Bank of England Meeting			
8-May-20	USD	Average Hourly Earnings m/m		0.3%	0.4%
8-May-20	USD	Non-Farm Payrolls		-2100K	-701K

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.13	0.18	0.34	0.60	1.23
Germany	-0.56	-0.78	-0.77	-0.58	-0.16
United Kingdom	0.05	0.01	0.09	0.23	0.59
Japan	-0.20	-0.18	-0.16	-0.05	0.42

#### Commodities

Index	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	18.05	(1.58)	Dow Jones	23,723.69	(2.55)
Brent	25.69	(2.84)	Nikkei 225	19,619.35	(2.84)
West Texas	18.50	(6.47)	S&P 500	2,830.71	(2.81)
Gold	1,704.42	0.31	KuwaitSE	4,824.73	(1.24)

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).