

Highlights in the Foreign Exchange Market:

- A shift towards dollar was evident in financial markets for the second consecutive day on Tuesday. The US surpassed 200,000 coronavirus deaths, while some European countries reimposed tough measures to battle a scourge that had apparently been brought under control back in spring. Furthermore, the latest tensions between the two largest economies and lack of progress on reaching a fiscal stimulus agreement in the US also elevated demand for safe-haven assets. Federal Reserve President Charles Evans stated "the US economy risks a longer, slower recovery, if not an outright recession, if Congress fails to pass a fiscal package to support out-of-work Americans and state and local governments."
- In the FX sphere, dollar gained ground across the board with the index rising around 0.60% yesterday versus a basket of currencies. Since the start of the month, the dollar index has gained around 2.50%. As for the worst performers, the pound takes the lead, followed by the euro. GBP/USD fell to a 2-month low of 1.2709 after Prime Minister Boris Johnson revealed new restrictions to tackle a second wave of the virus. EUR/USD broke below the 1.17 mark for the first time in 2 months and hit a low of 1.1690. The greenback, which has been fragile since July may be hitting a floor with its slide. Back in March when Covid-19 cases surged and nations imposed lockdowns, the dollar soared of the charts. Could this be a replay?

US Dollar Index
6-Month Performance



GBP/USD
6-Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1580	1.1630	1.1679	1.1730	1.1780
GBP	1.2620	1.2670	1.2722	1.2775	1.2825
JPY	104.05	104.55	105.05	105.60	106.10
CHF	0.9110	0.9160	0.9212	0.9265	0.9315

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1690 level during Tuesday's trading session and currently trading at 1.1679. EUR/USD Resistance levels are at (1.1730-1.1780) any break above would take the pair up to 1.1875. Short term outlook is Neutral.

GBP/USD: The pair moved down to the 1.2709 level during Tuesday's trading session and currently trading at 1.2722. GBP/USD Resistance levels are at (1.2775-1.2825) any break above would take the pair up to 1.2305. Short term outlook is Neutral.

Economic Events

Date	Country	Event	Actual	Forecast	Previous
21-Sep-20	EUR	German Buba Monthly Report			
21-Sep-20	CAD	New Housing Price Index	2.1%		1.7%
21-Sep-20	GBP	Inflation Report Hearings			
22-Sep-20	USD	Existing Home Sales m/m	6.00M	5.98M	5.86M
22-Sep-20	USD	Richmond Fed Manufacturing Index	21	12	18
22-Sep-20	EUR	Consumer Confidence	-14	-15	-15
23-Sep-20	USD	Crude Oil Inventories			-9.517M
23-Sep-20	EUR	Composite PMI Preliminary		51.7	51.9
24-Sep-20	CHF	Swiss National Bank Rate Decision		-0.75%	-0.75%
25-Sep-20	USD	Durable Goods Order		1.5%	11.4%

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1706	4.20	EUR/GBP	0.9193	8.64
GBP/USD	1.2731	(4.36)	GBP/JPY	133.53	(6.36)
USD/JPY	104.9100	(3.45)	EUR/JPY	122.83	0.69
USD/CHF	0.9192	(4.86)	EUR/CHF	1.0767	(0.83)

Major Crosses

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.38	1.63	1.81	2.13
USD	0.10	0.15	0.22	0.27	0.38
EUR	-0.56	-0.57	-0.52	-0.49	-0.43
GBP	0.05	0.05	0.06	0.08	0.14
CHF	-0.83	-0.81	-0.76	-0.72	-0.58
AUD	0.10	0.05	-0.10	0.08	0.07

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	0.11	0.13	0.26	0.67	1.42
Germany	-0.60	-0.73	-0.72	-0.51	-0.06
United Kingdom	-0.09	-0.07	-0.09	0.20	0.75
Japan	-0.17	-0.16	-0.14	0.00	0.58

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	40.94	(1.2)	Dow Jones	27,288.18	0.52
Brent	41.38	(0.8)	Nikkei 225	23,254.53	(0.45)
West Texas	39.60	0.74	S&P 500	3,315.57	1.05
Gold	1,888.86	(0.55)	KuwaitSE	5,577.77	0.80

Global Indices

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