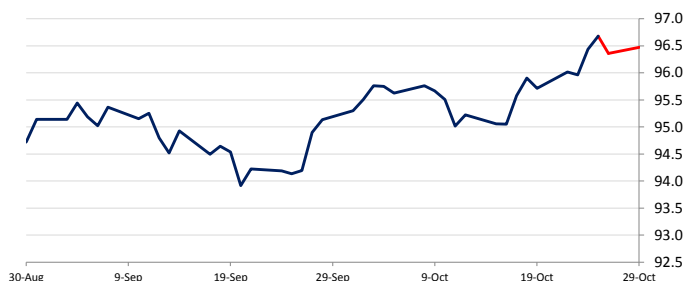


Highlights in the Foreign Exchange Market:

- The US economy expanded at a 3.5% annual rate for the third quarter of 2018, beating expectations of 3.3%. It follows a 4.2% growth in the previous quarter which was the highest recorded since 2014. The growth was largely driven by personal consumption expenditure, private inventory investment, and government spending which offset the negative effect from the hit to exports. The trade deficit rose to a record high last week as exports fell 3.5% after Beijing's tariffs took effect. Government spending and investment added 0.56% to growth, slightly higher than the 0.43% during the second quarter. The numbers further advance prospects for the Federal Reserve to further increase rates in December.
- The European Central Bank stated on Thursday that the benchmark interest rate will remain unchanged at 0%. Despite market turmoil and political concern, it has also confirmed plans to halt its quantitative easing program before the end of this year. The council announced that the bank is buying €15bn of mostly government bonds a month, and "anticipates" that the €2.5tn program will be over by December. During the press conference, ECB president Mario Draghi listed his concerns towards inflation, trade tensions, and risk of a disorderly Brexit, however remained hawkish overall. Draghi spoke confidently of the Italian government's ability to reach an agreement with the European commission, while Italy pushed for a budget plan that defies the EU's spending rules. Though the ECB views the escalation of the global trade war between the US and China as the biggest threat to the Eurozone economy, it maintains that it has favorable stimulus to soften the impact of a possible slowdown in growth.
- On the FX side, the Euro started last week at 1.1508 and kept losing ground on the dollar amid uncertainty in the Italian budget, softer PMI figures and setbacks in Brexit negotiations. The single currency lost as much as 1.56% hitting a 2-month low, and is currently trading at around 1.1391.

US Dollar Index
2-Month Performance



EUR/USD
2-Month Performance

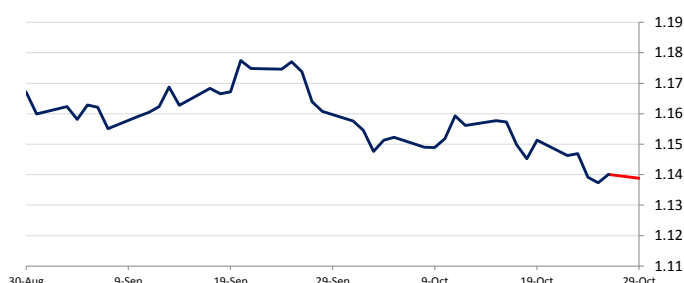


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1295	1.1335	1.1390	1.1440	1.1490
GBP	1.2725	1.2775	1.2833	1.2885	1.2930
JPY	110.85	111.35	111.94	112.40	112.90
CHF	0.9870	0.9930	0.9982	1.0030	1.0070

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1401	(5.04)	EUR/GBP	0.8888	(0.09)
GBP/USD	1.2831	(5.00)	GBP/JPY	143.47	(5.50)
USD/JPY	111.89	(0.62)	EUR/JPY	127.57	(5.62)
USD/CHF	0.9968	2.43	EUR/CHF	1.1371	(2.71)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1330 level during Friday's trading session and currently trading at 1.1390. EUR/USD Support is at (1.1295-1.1335) any break below targets 1.1180. Short term and medium term outlook are bearish.

USD/JPY: The pair moved down to the 111.35 level during Friday's trading session and currently trading at 111.94. USD/JPY Support is at (110.85-111.35) any break below targets 109.80. Short term and medium term outlook are neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.25	1.81	2.13	2.38	2.63
USD	2.22	2.30	2.52	2.78	3.06
EUR	-0.44	-0.41	-0.35	-0.33	-0.21
GBP	0.71	0.72	0.81	0.91	1.05
CHF	-0.80	-0.78	-0.74	-0.66	-0.53
AUD	1.85	2.01	2.38	2.38	2.20

Economic Events

Date	Country	Event	Actual	Forecast	Previous
30-Oct-18	USD	CB Consumer Confidence		136.3	138.4
30-Oct-18	CAD	BOC Gov Poloz Speaks			
30-Oct-18	AUD	CPI q/q		0.5%	0.4%
30-Oct-18	AUD	Trimmed Mean CPI q/q		0.4%	0.5%
30-Oct-18	JPY	Monetary Policy Statement			
30-Oct-18	JPY	BOJ Outlook Report			
31-Oct-18	CAD	GDP m/m			0.2%
31-Oct-18	CHF	SNB Chairman Jordan Speaks			
1-Nov-18	GBP	Manufacturing PMI		53.1	53.8
1-Nov-18	GBP	BOE Inflation Report			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.61	2.81	2.91	3.08	3.31
Germany	-0.71	-0.67	-0.22	0.36	0.99
United Kingdom	0.71	0.71	0.97	1.38	1.84
Japan	-0.14	-0.13	-0.09	0.10	0.85

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	76.08	2.27	Dow Jones	24,688.31	(1.19)
Brent	78.29	(0.03)	Nikkei 225	21,240.14	0.26
West Texas	67.53	(0.15)	S&P 500	2,658.69	(1.73)
Gold	1,233.22	0.00	KuwaitSE	5,033.42	(0.90)

All information has been sourced from Reuters.

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).