

Highlights in the Foreign Exchange Market:

- US equity markets ended its weekly session on Friday in positive territory supported by economic data ranging from retail sales to consumer sentiment. Fridays gains marked a fifth straight week of expansion for the Dow and S&P 500. On the other hand, the US dollar was pressured downwards on Friday, after news of the weaker-than-expected inflation. The index reached an October low of 92.752 as it weakened against a basket of major currencies. Moreover, treasury yields also fell, with the benchmark 10-year note reaching a 3-week low of 2.2730 %, while the 2-year note fell to 1.4888%. Interest rate expectations for December sank 5% to 71%.
- Looking at the FOMC, meeting minutes revealed that even though the central bank held its course for a December rate hike, Fed officials differed in opinion over whether the lag in inflation was persistent or temporary. The minutes indicated that "many participants expressed concern that the low inflation readings this year might reflect not only transitory factors, but also the influence of developments that could prove more persistent. A few of these participants thought that no further increases in the federal funds rate were called for in the near term or that the upward trajectory of the federal funds rate might appropriately be quite shallow. Some other participants, however, were more worried about upside risks to inflation arising from a labor market that had already reached full employment and was projected to tighten further."
- On the inflation front, US core consumer prices continued to disappoint, rising only 1.7% y/y in September. This was the seventh time in 8 months where the figure has failed to meet analysts' expectations. Additionally, the CPI also missed its estimate, coming in at a 2.2% rise y/y.

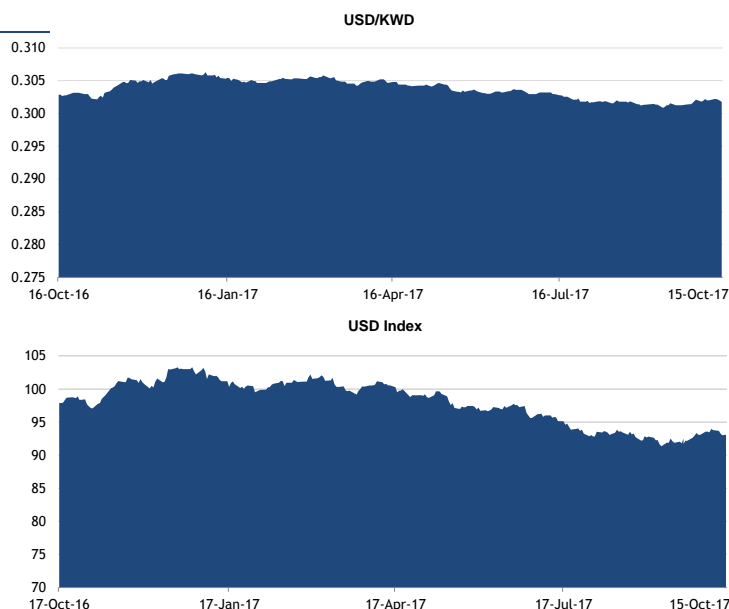


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1615	1.1720	1.1822	1.1930	1.2030
GBP	1.3085	1.3175	1.3284	1.3380	1.3490
JPY	109.85	110.80	111.84	112.90	113.95
CHF	0.9545	0.9645	0.9743	0.9845	0.9940

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1822	12.45	EUR/GBP	0.8896	4.44
GBP/USD	1.3284	7.68	GBP/JPY	148.52	3.12
USD/JPY	111.84	(4.30)	EUR/JPY	132.19	7.35
USD/CHF	0.9743	(4.27)	EUR/CHF	1.1517	7.46

Major Crosses

Brief Technical Commentary

The EUR/USD pair moved up to the 1.1874 level during Friday's trading session and currently sets at 1.1822 EUR/USD Support is at (1.1615-1.1655) any break below targets 1.1540 level The pair is currently Bearish.

The USD/JPY pair moved down to the 111.67 level during Friday's trading session and currently sets at 111.84 USD/JPY Resistance is at (113.45-113.95) any break above targets 115.50 and Support is at (109.85-110.20) any break below targets 108.20 The pair is currently Neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.25	1.56	1.75	2.00	2.31
USD	1.20	1.24	1.35	1.53	1.81
EUR	-0.42	-0.40	-0.38	-0.31	-0.23
GBP	0.24	0.29	0.37	0.53	0.74
CHF	-0.79	-0.78	-0.73	-0.65	-0.51
AUD	1.60	1.70	1.93	1.92	2.00

Economic Events

Date	Country	Event	Actual	Forecast	Previous
15-Oct-17	JPY	BOJ Gov Kuroda Speaks	-	-	-
15-Oct-17	USD	Fed Chair Yellen Speaks	-	-	-
16-Oct-17	CNY	CPI y/y	-	1.6%	1.8%
16-Oct-17	CNY	PPI y/y	-	6.3%	6.3%
16-Oct-17	USD	Empire State Manufacturing	-	20.3	24.4
17-Oct-17	GBP	CPI y/y	-	3.0%	2.9%
17-Oct-17	EUR	Final CPI y/y	-	1.5%	1.5%
18-Oct-17	GBP	Unemployment Rate	-	4.3%	4.3%
19-Oct-17	GBP	Retail Sales m/m	-	-0.1%	1.0%
19-Oct-17	USD	Philly Fed Manufacturing Index	-	22.2	23.8

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.39	1.49	1.90	2.27	2.81
Germany	-0.77	-0.73	-0.32	0.40	1.20
United Kingdom	0.41	0.43	0.80	1.37	1.92
Japan	-0.16	-0.15	-0.09	0.06	0.87

Commodities

Index	Last Price	% Change	Index	Last Price	Change
Kuwait Oil	54.51	(0.47)	Dow Jones	22,871.72	30.71
Brent	55.95	(0.04)	Nikkei 225	2,155.18	200.46
West Texas	51.38	(0.19)	S&P 500	2,553.17	2.24
Gold	1,305.28	0.86	KuwaitSE	6,848.24	(0.87)

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).