



Highlights in the Foreign Exchange Market:

- An agreement on a new Brexit deal was announced by EU and UK negotiators hours before the start of an EU leader's summit on Thursday and optimism that a deal would pass was high. The main changes from the previous one concern the controversial Northern Irish Backstop which Johnson has agreed to scrap. Under the new deal, Northern Ireland will be in the UK custom territory "forever" but will have a "special arrangement": there will be no hard border on Ireland. Though EU leaders unanimously endorsed it on Thursday, it still faced opposition in Britain's Parliament which has so far voted down three previous Brexit deals. On Saturday, the decision was postponed by Members of Parliament and the Letwin amendment passed with 322 votes in favor and 306 against. The amendment withholds approval of Johnson's deal until the legislation to enact it is passed. Moving ahead, Johnson is required by law to request an extension beyond the October 31 date from the EU, however he still suggested he would not negotiate with the EU on a delay and would get Brexit done before the deadline.
- The announcement jolted the sterling higher. However, the Democratic Unionist Party's rejection of the deal and uncertainty about what happens in case parliament fails to pass it limited the pound's gains. The GBP/USD surged to 1.2989, adding an astounding 200 pips on the news of an agreement. Many other major pairs were taken away by the optimism: EUR/USD surged to 1.1172 and held on to those gains while the AUD/USD rose to a one-month high also due to optimistic employment data.
- Equities in the US climbed towards all-time highs amid mostly positive earnings reports and news that Britain negotiations are nearing an end. Overall, more than 78% of the S&P 500 index companies reported earnings that topped expectations. The S&P 500 fluctuated around the 3,000 level (near its record high of 3,021) while stocks in Europe rose slightly. Strong earnings from UnitedHealth Group, JPMorgan Chase and other companies helped power the broad gains and notched investor sentiment higher.

Chart Points and Other Technical Input

| CCY | 2nd Support | 1st Support | Spot | 1st Resistance | 2nd Resistance |
|-----|-------------|-------------|--------|----------------|----------------|
| EUR | 1.0970 | 1.1070 | 1.1169 | 1.1265 | 1.1365 |
| GBP | 1.2775 | 1.2875 | 1.2971 | 1.3070 | 1.3175 |
| JPY | 106.45 | 107.45 | 108.42 | 109.45 | 110.45 |
| CHF | 0.9645 | 0.9745 | 0.9842 | 0.9945 | 1.0040 |

Major Currencies

| CCY | Closing Rate | YTD % | CCY | Closing Rate | YTD % |
|---------|--------------|--------|---------|--------------|--------|
| EUR/USD | 1.1169 | (2.62) | EUR/GBP | 0.8609 | (4.19) |
| GBP/USD | 1.2971 | 1.68 | GBP/JPY | 140.60 | 0.40 |
| USD/JPY | 108.4200 | (1.67) | EUR/JPY | 121.11 | (4.05) |
| USD/CHF | 0.9841 | 0.26 | EUR/CHF | 1.0992 | (2.33) |

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1172 level during Friday's trading session and closed the week at 1.1169. EUR/USD Support is at (1.0970-1.1070) any break below would take the pair down to 1.0875. Short term outlook is Bearish.

GBP/USD: The pair moved up to the 1.2983 level during Friday's trading session and closed the week at 1.2971. GBP/USD Support is at (1.2775-1.2875) any break below would take the pair down to 1.2655. Short term outlook is Bearish.

Local & Global Rates

| CCY | 1-Week | 1-Month | 3-Month | 6-Month | 1-Year |
|-----|--------|---------|---------|---------|--------|
| KWD | 2.44 | 2.69 | 2.88 | 3.06 | 3.31 |
| USD | 1.85 | 1.85 | 1.95 | 1.95 | 1.99 |
| EUR | -0.55 | -0.50 | -0.44 | -0.41 | -0.32 |
| GBP | 0.69 | 0.71 | 0.79 | 0.88 | 0.99 |
| CHF | -0.82 | -0.79 | -0.78 | -0.71 | -0.58 |
| AUD | 0.80 | 0.91 | 0.80 | 1.03 | 0.90 |

Economic Events

| Date | Country | Event | Actual | Forecast | Previous |
|-----------|---------|--------------------------------|--------|----------|----------|
| 16-Oct-19 | USD | Retail Sales m/m | -0.3% | 0.3% | 0.4% |
| 17-Oct-19 | GBP | Retail Sales m/m | 0.00% | -0.1% | -0.2% |
| 22-Oct-19 | CAD | Core Retail Sales m/m | | | -0.1% |
| 23-Oct-19 | USD | Crude Oil Inventories | | | 9.3M |
| 24-Oct-19 | EUR | French Flash Services PMI | | 51.6 | 51.1 |
| 24-Oct-19 | EUR | German Flash Manufacturing PMI | | 42 | 41.7 |
| 24-Oct-19 | EUR | Main Refinancing Rate | | 0.00% | 0.00% |
| 24-Oct-19 | EUR | ECB Press Conference | | | |
| 24-Oct-19 | EUR | Monetary Policy Statement | | | |
| 24-Oct-19 | USD | Core Durable Goods Orders m/m | | -0.002 | 0.005 |

Government Yields

| Country | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|----------------|--------|--------|--------|---------|---------|
| United States | 1.56 | 1.58 | 1.56 | 1.75 | 2.25 |
| Germany | -0.68 | -0.68 | -0.63 | -0.39 | 0.12 |
| United Kingdom | 0.64 | 0.52 | 0.49 | 0.70 | 1.18 |
| Japan | -0.26 | -0.26 | -0.29 | -0.17 | 0.39 |

Commodities

| Index | Last Price | % Change | Index | Last Price | % Change |
|------------|------------|----------|------------|------------|----------|
| Kuwait Oil | 61.63 | (0.48) | Dow Jones | 26,770.20 | (0.95) |
| Brent | 59.42 | (0.82) | Nikkei 225 | 22,492.68 | 0.18 |
| West Texas | 53.80 | 0.19 | S&P 500 | 2,986.20 | (0.39) |
| Gold | 1,489.70 | (0.13) | KuwaitSE | 5,761.68 | 0.05 |

Global Indices

All information has been sourced from Reuters.

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