

Highlights in the Foreign Exchange Market:

- The Bank of Canada has raised its overnight interest rate for the third time this year by 0.25% to 1.75% - the highest level seen since 2008. The move was widely expected in line with the central banks tightening cycle plan which began last year. A robust US economy and a new US-Mexico-Canada agreement have settled trade policy uncertainty in North America. However, the ongoing conflict between the US and China will continue to weigh heavy on global growth and commodity prices while emerging markets remain under stress. CPI inflation dropped to 2.2% in September, largely driven by a summer spike in airfares and other temporary factors. The BOC claims that the strength of the economy calls for rates to "rise to a neutral stance to achieve the inflation target." The Canadian dollar rose 0.7% following the release.
- The US dollar has strengthened on the backdrop of a weakening Euro and Sterling. The slowing Eurozone growth figures coupled with political uncertainty in Britain are continuing to weigh heavily on the single currency. The Eurozone Composite PMI fell to a 2 year low at the end of the third quarter due to factories being hit by an escalating trade war between the US and China. Growth in manufacturing activity dropped to 53.2 for the month of September, down from August's 54.6 reading.
- In the UK, political uncertainty caused a significant drop in the pound as it broke the 1.29 support level. As Theresa May prepares to address the committee, the likelihood of a no-confidence vote is high given that many members of the parliament have been increasingly critical of Ms. May's Brexit strategy.

Dollar Index
YTD Performance



USD/CAD
YTD Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1288	1.1370	1.1407	1.1488	1.1515
GBP	1.2770	1.2850	1.2888	1.2945	1.3015
JPY	110.90	111.60	112.04	112.90	113.30
CHF	0.9860	0.9910	0.9965	0.9985	1.0040

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1392	-4.98	EUR/GBP	0.8844	0.31
GBP/USD	1.2881	-4.65	GBP/JPY	144.60	5.45
USD/JPY	112.26	0.57	EUR/JPY	127.88	5.84
USD/CHF	0.9979	-2.22	EUR/CHF	1.14	2.97

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to break 1.1400 level during Wednesday's trading session and currently trading at 1.1407. EUR/USD Support is at (1.1370-1.1288) any break below targets 1.1240. Short term and medium term outlook are bearish.

USD/JPY: The pair moved down to the 111.83 level during Wednesday's trading session and currently trading at 112.10. USD/JPY Support is at (111.60-112.05) any break below targets 111.05. Short term and medium term outlook are neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	0.00	1.81	2.06	2.38	2.63
USD	2.22	2.28	2.49	2.75	3.03
EUR	-0.44	-0.41	-0.35	-0.32	-0.21
GBP	0.71	0.72	0.80	0.91	1.06
CHF	-0.80	-0.78	-0.74	-0.66	-0.53
AUD	2.78	2.87	2.96	3.06	3.34

Economic Events

Date	Country	Event	Actual	Forecast	Previous
23-Oct-18	GBP	BOE Gov Carney Speaks			
24-Oct-18	CAD	BOC Monetary Policy Report			
24-Oct-18	CAD	BOC Rate Statement			
24-Oct-18	CAD	Overnight Rate	1.75%	1.75%	1.50%
24-Oct-18	CAD	BOC Press Conference			
25-Oct-18	EUR	Main Refinancing Rate		0.0%	0.0%
25-Oct-18	EUR	ECB Press Conference			
25-Oct-18	USD	Core Durable Goods Orders m/m		0.3%	0.0%
26-Oct-18	USD	Advance GDP q/q		3.3%	1.2%
26-Oct-18	EUR	ECB President Draghi Speaks			

Government Yields

Country	2-Year	3-Year	5-Year	10-Year	30-Year
United States	2.83	2.89	2.95	3.11	3.33
Germany	-0.63	-0.52	-0.19	0.39	1.02
United Kingdom	0.74	0.75	1.03	1.45	1.87
Japan	-0.13	-0.12	-0.08	0.11	0.86

Commodities

Index	Last Price	1D % Change	Index	Last Price	1D % Change
Kuwait Oil	73.50	-3.59	Dow Jones	24,583.42	-2.41
Brent	75.65	-0.68	Nikkei 225	21,367.48	-3.28
West Texas	66.28	-0.81	S&P 500	2,656.10	-3.09
Gold	1,237.20	0.28	KuwaitSE	4,716.73	0.50

All information has been sourced from Bloomberg

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