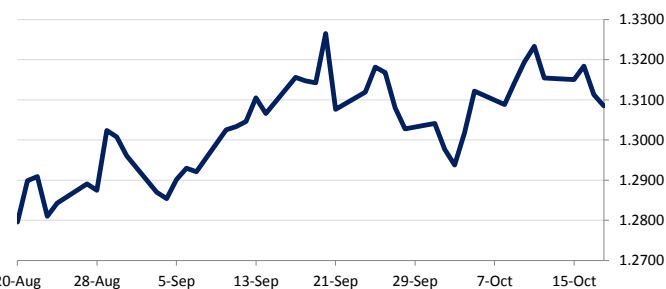


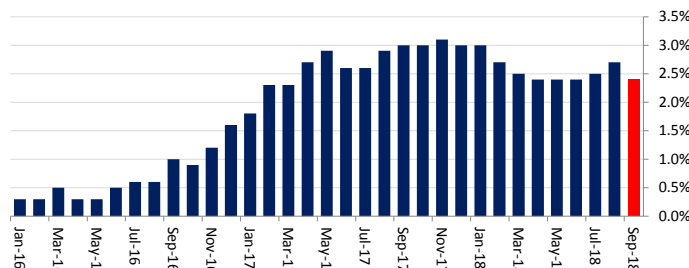
#### Highlights in the Foreign Exchange Market:

- The Federal Reserve is sticking to plans for further interest rate hikes despite outspoken criticism from President Donald Trump. The minutes from the September 25-26 Fed meeting revealed that policymakers were largely united on the decision to raise the target policy rate in September. The minutes also explained that though the term “accommodative” was removed, it should not be seen as a signal of change in expectations for future rates. The members pointed to concern in regards to the dollar’s recent strength, as the Fed noted the downside risks driven by domestic and foreign economic growth prospects. Overall, the minutes made it clear that the Fed was focused on their agenda, bolstering expectations the central bank will raise rates a fourth time this year in December.
- Negotiations between the United Kingdom and the European Union continue to loom as Brexit Day approaches. The latest update on the topic involved the British PM, Theresa May, who has told European leaders at a Brussels summit that she is willing to consider keeping Britain locked to the EU beyond 2020 in an extended transition. This move faced backlash in the UK, where Eurosceptic Conservative MPs argued that an extended transition period will leave Britain as a “vassal state”, meaning that they would need to abide by EU rules without enjoying any votes or representation on EU institutions. Since its high on Tuesday (1.3235), the Sterling pound has fallen more than 1% against the dollar at the time of writing.
- Meanwhile, consumer price inflation in the UK fell from 2.7% to 2.4% last month, easing pressure on the Bank of England to raise interest rates in the near future. Largely driven by lower prices for food and drinks, the figure came as a surprise to analysts who expected a drop to 2.6%. The drop in inflation comes a day after wages reportedly rose by 3.1%, its highest level since the financial crisis. September’s figures remain in line with the central bank’s forecast, reducing any pressure on the Monetary Policy Committee to act again before it can assess the likely impact of Brexit negotiations.

GBP/USD  
2-Month Performance



UK Inflation  
CPI y/y



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1390	1.1445	1.1501	1.1550	1.1605
GBP	1.2980	1.3045	1.3102	1.3160	1.3210
JPY	111.80	112.15	112.52	112.85	113.30
CHF	0.9850	0.9900	0.9948	0.9980	1.0040

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1499	(4.16)	EUR/GBP	0.8768	(1.15)
GBP/USD	1.3113	(3.16)	GBP/JPY	147.71	(3.20)
USD/JPY	112.64	(0.16)	EUR/JPY	129.53	(4.34)
USD/CHF	0.9952	2.15	EUR/CHF	1.1444	(2.16)

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1493 level during Wednesday's trading session and currently trading at 1.1501. EUR/USD Support is at (1.1390-1.1445) any break below targets 1.1297. Short term outlook is Bearish.

USD/JPY: The pair moved up to the 112.72 level during Wednesday's trading session and currently trading at 112.52. USD/JPY Resistance is at (112.85-113.30) any break above targets 114.50. Short term outlook is neutral.

#### Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.19	1.75	2.06	2.31	2.56
USD	2.21	2.28	2.45	2.66	2.97
EUR	-0.44	-0.40	-0.35	-0.33	-0.21
GBP	0.71	0.72	0.80	0.90	1.08
CHF	-0.80	-0.79	-0.74	-0.66	-0.53
AUD	1.72	1.92	2.30	2.23	2.13

#### Economic Events

Date	Country	Event	Actual	Forecast	Previous
15-Oct-18	USD	Core Retail Sales m/m	-0.1%	0.4%	0.3%
15-Oct-18	USD	Retail Sales m/m	0.1%	0.7%	0.1%
16-Oct-18	GBP	Average Earnings Index 3m/y	2.7%	2.6%	2.6%
16-Oct-18	GBP	Unemployment Rate	4.0%	4.0%	4.0%
17-Oct-18	GBP	CPI y/y	2.4%	2.6%	2.7%
17-Oct-18	GBP	PPI Input m/m	1.3%	0.9%	0.5%
17-Oct-18	USD	Building Permits	1.24M	1.28M	1.25M
18-Oct-18	GBP	Retail Sales m/m		-0.3%	0.3%
18-Oct-18	USD	Philly Fed Manufacturing Index		21.0	22.9
19-Oct-18	JPY	BOJ Gov Kuroda Speaks			

#### Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.64	2.89	3.06	3.20	3.37
Germany	-0.69	-0.62	-0.13	0.47	1.10
United Kingdom	0.78	0.79	1.15	1.59	1.97
Japan	-0.14	-0.12	-0.06	0.14	0.91

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	77.98	(1.54)	Dow Jones	25,706.68	(0.36)
Brent	80.48	(0.02)	Nikkei 225	22,658.16	(0.80)
West Texas	69.58	(0.14)	S&P 500	2,809.21	(0.03)
Gold	1,220.82	(0.12)	KuwaitSE	5,010.77	(0.90)

All information has been sourced from Reuters.

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