

#### Highlights in the Foreign Exchange Market:

- China, the second largest economy in the world, expanded at the slowest rate in the third quarter since the rock bottom of the 2008-09 global financial crises. There was an obvious struggle from the auto sector. In details, sales of vehicles were at 7.6% y/y growth in Q1, car sales growth slowed to -1.5% in Q2 and -4.1% in Q3. The economy grew at a slower rate of 6.5% in Q3, from 6.7% in Q2. The latest reading has increased the pressure on the government to deliver support as investors grow increasingly skeptical about capital outflows. This has seen the yuan lose its value significantly since the start of the year and the Shanghai stock exchange is trading at a 4-year low. Chinese officials also tried to enhance investors' morale as stock markets suffered sharp reductions this year. The CSI 300, which tracks the largest companies listed on the Shanghai and Shenzhen bourses, dropped 23% YTD.
- Oil prices rose on Monday as markets brace for the sanctions against Iranian exports by the US. As the third largest-producer of OPEC, sanctions on the oil sector in Iran are set to begin on November 4th while President Trump attempts to renegotiate an agreement on its nuclear program. Following the disruption in the oil market, OPEC agreed to boost supply in June. US drillers have indicated expansion in oil rigs, as Baker Hughes reportedly raised the rig count to the highest level since 2015, signaling an early indication of future output. Brent crude oil futures rose slightly to \$80 a barrel, while the US West Texas Intermediate rose 1.46% to 69.11.
- Looking at the FX market, the US dollar was trading in a weak manner at the start of last week as retail sales data disappointed to the downside. However, the downward momentum was short lived after the FOMC reaffirmed its hawkish stance on interest rates. Higher US Treasury yields fortified investors' preference to purchase the greenback. Markets are becoming more bullish on USD short-term outlook, especially against emerging market currencies as US debt costs are expected to rise, while global trade tensions show no sign of exhaustion. The DXY gained 0.65% over the past week, currently trading at around the 95.683 level.

**Brent Crude**  
2-Month Performance



**US Dollar Index**  
2-Month Performance



#### Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1430	1.1480	1.1515	1.1570	1.1620
GBP	1.2970	1.3020	1.3072	1.3130	1.3180
JPY	111.80	112.30	112.60	112.90	113.30
CHF	0.9870	0.9920	0.9964	1.0010	1.0070

#### Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1513	(3.88)	EUR/GBP	0.8806	(0.78)
GBP/USD	1.3070	(3.29)	GBP/JPY	147.03	(3.08)
USD/JPY	112.54	0.03	EUR/JPY	129.56	(3.85)
USD/CHF	0.9963	2.22	EUR/CHF	1.1467	(1.74)

#### Major Crosses

#### Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1535 level during Friday's trading session and currently trading at 1.1515. EUR/USD Support is at (1.1430-1.1480) any break below targets 1.1350. Short term outlook is neutral, however medium term outlook remains bearish.

USD/JPY: The pair moved up to the 112.64 level during Friday's trading session and currently trading at 112.60. USD/JPY Support is at (111.80-112.30) 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	1.25	1.75	2.00	2.31	2.56
USD	2.21	2.28	2.48	2.72	3.02
EUR	-0.44	-0.41	-0.35	-0.33	-0.21
GBP	0.71	0.73	0.80	0.91	1.07
CHF	-0.80	-0.78	-0.75	-0.67	-0.54
AUD	1.90	1.98	2.25	2.31	2.20

#### 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%	1.50%
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	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.65	2.91	3.06	3.20	3.38
Germany	-0.69	-0.64	-0.13	0.47	1.08
United Kingdom	0.75	0.80	1.14	1.58	1.97
Japan	-0.14	-0.12	-0.06	0.14	0.91

#### Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	78.45	0.32	Dow Jones	25,444.34	0.26
Brent	81.17	(0.02)	Nikkei 225	22,645.06	0.50
West Texas	69.11	(0.14)	S&P 500	2,767.78	(0.04)
Gold	1,226.68	0.07	KuwaitSE	5,001.10	(0.99)

All information has been sourced from Reuters.

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