

Highlights in the Foreign Exchange Market:

- The US midterm elections resulted in the democrats taking partial control of congress as they were able to flip 11 seats, gaining control of the House. However, republicans were able to maintain control of the Senate as democrats struggled to defend 26 of the seats being contested. Voter turnout was elevated, as 35 million early votes were detected compared to the less than 20 million in 2014. As results came in, the dollar along with Treasury yields fell while stock futures rose. The dollar was down 0.3%, while the 10 year Treasury yield dropped to 3.1893%. The S&P 500 was up 0.52%, and equities were generally on the rise in Asia.
- Looking at the US service sector, the month of October revealed a greater than expected rise with the ISM non-manufacturing index registering at 60.3%, above the 59.3 expected. This data follows September's results of 61.6, which illustrated its fastest growth pace on record. Despite the 1.3% drop, the sector reflected strong growth as a reading above 50 indicates expansion. Last week, the ISM Purchasing Managers Index dropped 2.1% from the previous month, coming in at 57.7%. This suggests broad growth in the economy with a slight retreat from September's high levels which had created a worry of overheating.
- Britain's economy has continued to slow since the 2016 Brexit referendum, with this week's data adding to the narrative. The purchasing managers' index dropped to 52.2 in October from 53.9 in September, below expectations of a drop to 53.4. Brexit worries seems to be taking a toll on the economy, as the combined manufacturing and construction surveys points to the economy growing at a quarterly rate of just 0.2%. Business expectations for stronger activity over the next year are the weakest since March of 2016, with costs rising due to higher fuel bills and rising wages combined with a drop in new orders. However, data is expected to pick up if the Brexit talks go smoothly. The Sterling briefly dropped, though later recovered as markets did not reveal a strong reaction. Year to date, the sterling is down about 6.8% and is currently trading at around the 1.3121 level.

US Dollar Index
Year to Date Performance



GBP/USD
Year to Date Performance

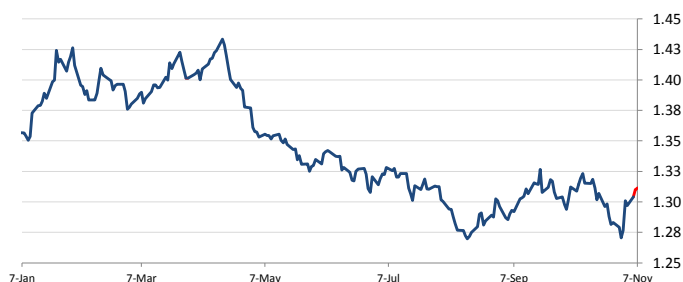


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1355	1.1410	1.1463	1.1515	1.1565
GBP	1.3035	1.3085	1.3134	1.3190	1.3240
JPY	112.25	112.70	113.18	113.80	114.30
CHF	0.9895	0.9945	0.9998	1.0045	1.0095

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1426	(4.63)	EUR/GBP	0.8721	(1.80)
GBP/USD	1.3097	(2.96)	GBP/JPY	148.55	(2.45)
USD/JPY	113.42	0.44	EUR/JPY	129.60	(4.23)
USD/CHF	1.0024	2.76	EUR/CHF	1.1453	(1.98)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1438 level during Tuesday's trading session and currently trading at 1.1463. EUR/USD Support is at (1.1295-1.1355) any break below targets 1.1180. Short term outlook is slightly Bullish.

USD/JPY: The pair moved up to the 113.49 level during Tuesday's trading session and currently trading at 113.18. USD/JPY Support is at (112.25-112.70) any break below targets 111.70. 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	1.81	2.06	2.38	2.63
USD	2.21	2.32	2.59	2.84	3.12
EUR	-0.45	-0.41	-0.35	-0.33	-0.23
GBP	0.71	0.73	0.85	0.97	1.12
CHF	-0.80	-0.79	-0.75	-0.67	-0.53
AUD	1.75	1.86	2.41	2.35	2.30

Economic Events

Date	Country	Event	Actual	Forecast	Previous
5-Nov-18	GBP	Services PMI	52.2	53.4	53.9
5-Nov-18	USD	ISM Non-Manufacturing PMI	60.3	59.3	61.6
6-Nov-18	AUD	RBA Rate Statement			
6-Nov-18	USD	Congressional Elections			
8-Nov-18	USD	FOMC Statement			
8-Nov-18	USD	Federal Funds Rate		<2.25%	<2.25%
9-Nov-18	GBP	GDP m/m		0.1%	0.0%
9-Nov-18	GBP	Manufacturing Production m/m		0.1%	-0.2%
9-Nov-18	GBP	Prelim GDP q/q		0.6%	0.4%
9-Nov-18	USD	PPI m/m		0.3%	0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.72	2.92	3.03	3.19	3.40
Germany	-0.68	-0.65	-0.17	0.43	1.06
United Kingdom	0.79	0.81	1.11	1.54	1.94
Japan	-0.15	-0.13	-0.09	0.12	0.88

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	70.82	(0.84)	Dow Jones	25,635.01	0.63
Brent	69.73	(0.03)	Nikkei 225	22,193.07	0.20
West Texas	62.11	(0.16)	S&P 500	2,755.45	0.63
Gold	1,227.95	0.13	KuwaitSE	5,053.17	(0.90)

Global Indices

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