

Highlights in the Foreign Exchange Market:

- The Federal Reserve left interest rates unchanged on Thursday at 2-2.25% as widely expected by markets. With strong economic growth, higher tariffs, and rising wages, the central bank will most likely remain on course to hike rates in December. The economy has recorded two straight quarters of annualized growth well above 3%, wage growth has expanded to its quickest pace in almost a decade, and unemployment is currently at record lows. Strong US labor data last week reported nonfarm payrolls increased by 250,000 jobs, and average hourly earnings rose 0.2%, leaving the annual increase in wages at 3.1%. The US Labor Department reported annual inflation in the US fell to 2.3% in September from 2.7% in August. With inflation near the 2% target, the central bank made it clear that further hikes remain in prospect as they shift policy to neutral settings. In clear disregard to Trump's ongoing criticism, Jerome Powell insisted that the central bank is "removed from the political process" and will continue to try and do the right thing for the economy. The dollar held onto its gains last week, with the dollar index rising 0.5%.
- Meanwhile in the UK, third-quarter gross domestic product grew by 0.6% and reported an annual increase of 1.5%, in line with market expectations. The main contributors to the third-quarter GDP were services by 0.33%, followed by construction and production at 0.13% and 0.11% respectively. Net trade also aided GDP growth, with a 2.7% rise in exports of goods and services. Looking at manufacturing production, the Office for National Statistics published manufacturing output arriving at 0.2%, versus the 0.1% expected. Though the economy saw a strong summer, long-term economic growth remains subdued with retail and domestic car purchases falling back. Business expectations for stronger activity over the next year are at the weakest since March of 2016, with costs booming due to higher fuel bills and rising wages combined with a drop in new orders. Nonetheless, data is expected to pick up if Brexit talks go smoothly. Year to date, the sterling is down about 4% and is currently trading at around the 1.2975 level.

USD/KWD
Year-to-Date



Fed Rate
Past 20 years



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1140	1.1230	1.1334	1.1440	1.1530
GBP	1.2760	1.2865	1.2975	1.3080	1.3180
JPY	111.80	112.90	113.82	114.70	115.50
CHF	0.9855	0.9950	1.0053	1.0140	1.0250

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1334	(5.52)	EUR/GBP	0.8738	(1.64)
GBP/USD	1.2974	(3.97)	GBP/JPY	147.62	(2.95)
USD/JPY	113.82	1.02	EUR/JPY	128.98	(4.59)
USD/CHF	1.0053	3.18	EUR/CHF	1.1394	(2.52)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1313 level during Friday's trading session and closed for the week at 1.1334. EUR/USD Support is at (1.1140-1.1230) any break below targets 1.1070. Short term outlook is neutral. However, if the pair break the low of the year 1.1300 level it will turn Bearish.

USD/JPY: The pair moved up to the 114.08 level during Friday's trading session and closed for the week at 113.82. USD/JPY Support is at (111.80-112.90) any break below targets 110.80. 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	2.31	2.63
USD	2.22	2.31	2.62	2.86	3.14
EUR	-0.45	-0.41	-0.36	-0.33	-0.22
GBP	0.71	0.73	0.87	0.99	1.16
CHF	-0.80	-0.78	-0.75	-0.67	-0.53
AUD	1.70	1.85	2.40	2.40	2.20

Economic Events

Date	Country	Event	Actual	Forecast	Previous
13-Nov-18	GBP	Average Earnings Index 3m/y		3.0%	2.7%
13-Nov-18	GBP	Unemployment Rate		4.0%	4.0%
14-Nov-18	GBP	CPI y/y		2.5%	2.4%
14-Nov-18	USD	CPI m/m		0.3%	0.1%
14-Nov-18	EUR	Flash GDP q/q		0.2%	0.2%
14-Nov-18	AUD	Wage Price Index q/q		0.6%	0.6%
15-Nov-18	USD	Core Retail Sales m/m		0.5%	-0.1%
15-Nov-18	USD	Retail Sales m/m		0.6%	0.1%
15-Nov-18	GBP	Retail Sales m/m		0.1%	-0.8%
16-Nov-18	EUR	ECB President Draghi Speaks			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.72	2.92	3.04	3.18	3.39
Germany	-0.69	-0.64	-0.18	0.41	1.04
United Kingdom	0.74	0.77	1.06	1.49	1.93
Japan	-0.16	-0.15	-0.09	0.11	0.88

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	69.01	0.39	Dow Jones	25,989.30	(0.77)
Brent	68.10	(0.03)	Nikkei 225	22,250.25	(1.05)
West Texas	60.14	(0.17)	S&P 500	2,781.01	(0.92)
Gold	1,209.21	(1.17)	KuwaitSE	5,101.94	(0.90)

All information has been sourced from Reuters.

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