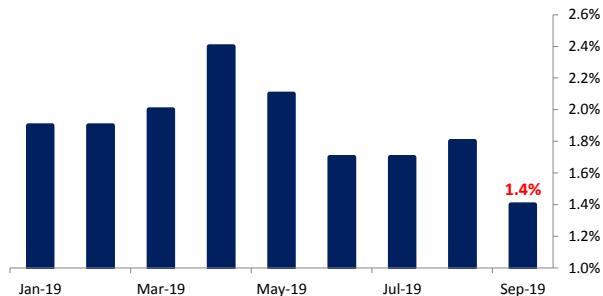


US Producer Prices YTD Performance



Highlights in the Foreign Exchange Market:

- Price growth in the American economy remains in a muted state and since the start of the year the central bank has failed to achieve its primary objective to drive inflation to a target of 2%. The FED's preferred inflation indicator (Core PCE) is currently at 1.8%, which was last released on the 27th of September. However, the bad news is that since then, producer price momentum has fallen substantially, indicating that the core PCE has more room to fall. On the wholesale front, annual producer inflation tumbled to 1.4%, the lowest reading since November 2016 from 1.8% in August. Trade tensions are still in the air and banks in America are facing some short-term liquidity issues, which forced the FED to pump billions of dollars in the banking sector. Moreover, just last week, Jerome Powell highlighted that the central bank is ready to further lower interest rates and will expand its balance sheet by buying more Treasury bonds in order to provide short-term liquidity to banks. The case for a third interest rate cut this year on October 30th is strong, while markets are pricing in a 78% chance for a cut.
- In Brexit updates, the Irish Prime Minister claimed that a withdrawal agreement can be agreed before the end of October and that Mr Johnson had shifted his red line towards letting Northern Ireland stay in the EU customs union. It seems that PM Johnson is trying to avoid a Brexit extension, which he promised to avoid by stating leaving the EU "do or die" on October the 31st. The Brexit departure date is October 31st and if Boris fails to obtain a deal by the 19th of October, he will have no choice but to extend the Brexit deadline as the Benn act passed into law. The pound has gained around 2.6% in the past week, currently trading at 1.2647.

GBP/USD 3-Month Performance

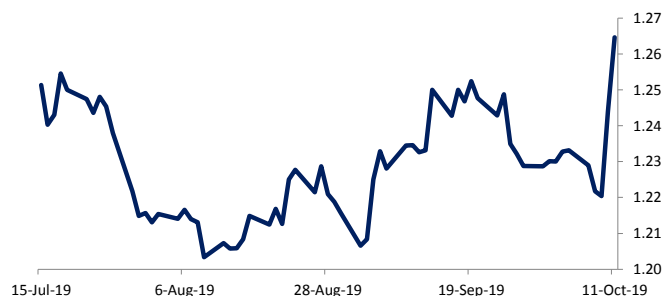


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0850	1.0935	1.1040	1.1080	1.1190
GBP	1.2450	1.2525	1.2646	1.2720	1.2880
JPY	106.20	107.50	108.40	109.50	110.00
CHF	0.9681	0.9820	0.9965	1.0025	1.0145

Major Currencies

CCY	Closing Rate	YTD %
EUR/USD	1.1040	(3.74)
GBP/USD	1.2647	(0.87)
USD/JPY	108.4000	(1.69)
USD/CHF	0.9965	1.54

Major Crosses

CCY	Closing Rate	YTD %
EUR/GBP	0.8729	(2.84)
GBP/JPY	137.04	(2.14)
EUR/JPY	119.62	(5.23)
EUR/CHF	1.0998	(2.27)

Brief Technical Commentary

EUR/USD: No adjustment in position. Daily bias remains slightly on the upside for further recovery. However, upside should be limited at 1.1109 resistance to bring larger down trend resumption. On the shortcoming, break of 1.1000 minor support will turn bias back to the downside for retesting the 1.0879 low. On a spot basis, the common currency is trading above the main SMAs, suggesting bullish momentum in the medium term.

GBP/USD: The pair soared to as high as 1.2705 and break of 1.2582 resistance confirms continuation of rebound from 1.1958 low. GBP/USD is up about 500 pips from the October lows, while on track to its biggest two-day rally in a decade. The Sterling is trading above its main SMAs, suggesting bullish momentum in the near term. Support is seen at the 1.2600.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.44	2.69	2.88	3.06	3.31
USD	1.87	1.91	2.00	1.98	1.96
EUR	-0.56	-0.52	-0.44	-0.42	-0.35
GBP	0.69	0.72	0.78	0.85	0.94
CHF	-0.82	-0.80	-0.79	-0.72	-0.59
AUD	0.70	0.89	1.03	1.03	0.90

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Oct-19	GBP	Manufacturing Production m/m	-0.7%	0.1%	0.4%
10-Oct-19	EUR	ECB Monetary Policy Meeting Accounts			
10-Oct-19	USD	Core CPI m/m	0.1%	0.2%	0.3%
15-Oct-19	AUD	Monetary Policy Meeting Minutes			
15-Oct-19	GBP	BOE Gov Carney Speaks			
16-Oct-19	GBP	CPI y/y		1.8%	1.7%
16-Oct-19	CAD	CPI m/m		-0.3%	-0.1%
16-Oct-19	USD	Core Retail Sales m/m		0.2%	0.0%
16-Oct-19	USD	Retail Sales m/m		0.3%	0.4%
17-Oct-19	GBP	Retail Sales m/m		-0.1%	-0.2%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.64	1.59	1.55	1.73	2.20
Germany	-0.69	-0.74	-0.72	-0.45	0.06
United Kingdom	0.64	0.52	0.47	0.68	1.16
Japan	-0.29	-0.30	-0.32	-0.19	0.38

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	61.89	(0.15)	Dow Jones	26,816.59	1.21
Brent	60.51	2.39	Nikkei 225	21,798.87	1.15
West Texas	54.81	0.18	S&P 500	2,970.27	1.09
Gold	1,489.45	(0.30)	KuwaitSE	5,717.74	0.29

All information has been sourced from Reuters.

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