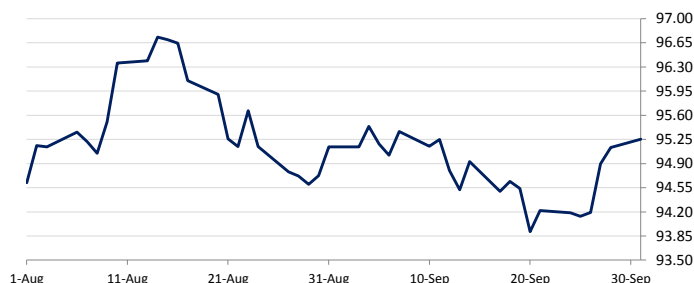


Highlights in the Foreign Exchange Market:

- Months of uncertainty regarding NAFTA have come to an end as an agreement between the US and Canada was reached late Sunday just hours before the deadline. The new trilateral pact is to be renamed the "United States Mexico Canada Agreement", or USMCA. Issues relating to the dairy sector, dispute settlement mechanisms, car tariffs, and cultural provisions took main stage. The Trump administration has announced that the trilateral deal is due to be signed on November 30 by Mr Trump, Mr Trudeau, and Enrique Pena Nieto. However, the vote would not occur until 2019 with a new US congress. If lawmakers from the Democratic Party win control of the House of Representatives, the deal's prospects may be complicated. The Canadian dollar and Mexico's peso all climbed as American and Canadian negotiators reached a deal to preserve the trilateral agreement. The Canadian dollar climbed 0.6% to 1.2835 per dollar, and Mexico's peso rose 0.9% to 18.5583 per dollar.
- The US dollar rose on Friday following the announcement by the FED to increase rates to a range between 2 and 2.25%. As the Federal Reserve raised interest rates for the third time this year, currencies were also affected by trade wars, Brexit, and Italy's debt crisis. Italian politics took center stage as parties have pushed for a larger budget deficit of above 2%, placing the Finance Minister in a difficult situation as he had previously pledged to maintain levels below 2% as per EU rules. Keeping the Italian budget issue aside, the Euro Dollar was also hit by higher US interest rates during a time of divergence among the FED and the ECB.
- The Euro fell below the 1.16 level for the first time in two weeks following the news and is currently trading at around the 1.1587 level. The Japanese Yen was weaker against the dollar, trading at its lowest level since November 2017 at 113.88 due to its sensitivity towards the increasing interest rates, while the Australian dollar also slipped to 0.7218. The Sterling dollar initially saw an advance due to the dollar's weakness, however dropped to a 2 week low following the FED announcement. UK data released did not help support the pound either, as poor readings such as Q2 GDP confirming at 0.4% quarterly growth and the total business investment dropping 0.7% in the last 3 months. The upcoming weeks will reveal Manufacturing data and further Brexit negotiations which are said to impact the currency's movement.

US Dollar Index
2 Month Performance



JPY/USD
1 Year Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1495	1.1545	1.1595	1.1645	1.1700
GBP	1.2925	1.2975	1.3025	1.3075	1.3130
JPY	112.85	113.30	113.91	114.40	114.90
CHF	0.9710	0.9760	0.9811	0.9860	0.9915

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1608	(3.46)	EUR/GBP	0.8908	0.01
GBP/USD	1.3028	(3.54)	GBP/JPY	148.09	(2.37)
USD/JPY	113.68	1.11	EUR/JPY	131.91	(2.37)
USD/CHF	0.9819	0.72	EUR/CHF	1.1391	(2.76)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1566 level during Friday's trading session and currently trading at 1.1595. EUR/USD Support is at (1.1475-1.1495) any break below targets 1.1297. The pair is currently bearish.

USD/JPY: The pair moved up to the 113.70 level during Friday's trading session and currently trading at 113.90. USD/JPY Support is at (112.55-112.85) any break below targets 110.85. Short term and medium term outlook remain neutral.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.13	1.75	2.06	2.31	2.56
USD	2.20	2.26	2.40	2.60	2.92
EUR	-0.43	-0.40	-0.35	-0.31	-0.21
GBP	0.71	0.72	0.80	0.90	1.06
CHF	-0.80	-0.78	-0.74	-0.66	-0.52
AUD	2.10	2.02	2.37	2.24	2.33

Economic Events

Date	Country	Event	Actual	Forecast	Previous
30-Sep-18	USD	FOMC Member Williams Speech			
1-Oct-18	EUR	Retail Sales MoM		0.4%	-0.4%
1-Oct-18	EUR	Markit Manufacturing PMI		53.3	53.3
1-Oct-18	EUR	Unemployment Rate		8.2%	8.2%
2-Oct-18	AUD	RBA Rate Statement			
2-Oct-18	AUD	RBA Interest Rate Decision		1.5%	1.5%
2-Oct-18	USD	Fed's Powell Speech			
5-Oct-18	USD	Nonfarm Payrolls		188K	201K
5-Oct-18	USD	Average Hourly Earnings		3.0%	2.9%
5-Oct-18	CAD	Unemployment Rate		5.9%	6.0%

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.56	2.82	2.96	3.07	3.21
Germany	-0.65	-0.56	-0.14	0.47	1.09
United Kingdom	0.79	0.82	1.17	1.57	1.91
Japan	-0.13	-0.12	-0.07	0.12	0.92

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	82.64	0.60	Dow Jones	26,458.31	0.07
Brent	83.21	(0.02)	Nikkei 225	24,245.76	0.52
West Texas	73.11	(0.14)	S&P 500	2,913.98	(0.00)
Gold	1,187.20	(0.38)	KuwaitSE	5,124.97	(0.90)

All information has been sourced from Reuters.

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