Treasury Group

Treasury Newsletter

Kuwaiti Dinar Today

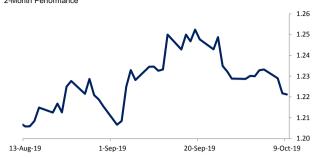
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Highlights in the Foreign Exchange Market:

- The US dollar was trading in a positive manner on Tuesday's trading session despite dovish comments on interest rates by the FED chairman. 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 chairman's tone pushed the probability of a 25 basis point cut to the overnight rate on October 30th to around 84% from 74.8% seen at the start of the week. Looking at yields, the two-year Treasury yield, which is sensitive to changes in interest-rate policy, fell 4.1 basis points to 1.424%. It seems markets' attention is focused on the trade talks, which turned sour. The US implemented visa restrictions yesterday on Chinese officials for the imprisonment and abuse of Muslim minorities that angered Beijing. Moreover, the White House broadened its trade blacklist to include some of China's top artificial intelligence startups. Overall, risk aversion is clearly back paving the way for a dollar rally even as the FED is in a dovish mood.
- In the FX sphere, Sterling depreciated to a one-month low against the dollar and the euro yesterday as investors turned cautious on reports that Brexit talks between Britain and the European Union were close to breaking down. German Chancellor Angela Merkel told Prime Minister Boris Johnson that a Brexit deal was "overwhelmingly unlikely" in a call unless Britain left Northern Ireland in the customs union. The pound fell around 0.7% and touched a monthly low of \$1.2193.



US Dollar Index 2-Month Performance

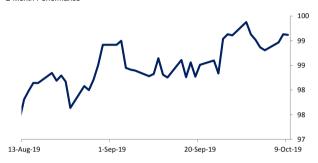


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.0865	1.0915	1.0963	1.1015	1.1065
GBP	1.2115	1.2165	1.2217	1.2265	1.2315
JPY	106.15	106.65	107.15	107.65	108.15
CHF	0.9835	0.9885	0.9937	0.9985	1.0040

Major Currencies	Maior Crosse
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CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.0954	(4.47)	EUR/GBP	0.8964	(0.12)
GBP/USD	1.2217	(4.33)	GBP/JPY	130.85	(6.56)
USD/JPY	107.0700	(2.78)	EUR/JPY	117.31	(6.95)
USD/CHF	0.9927	1.24	EUR/CHF	1.0878	(3.26)

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.0995 level during Tuesday's trading session and currently trading at 1.0963. EUR/USD Support is at (1.0865-1.0915) any break below would take the pair down to 1.0785. Short term outlook is Bearish.

GBP/USD: The pair moved down to the 1.2193 level during Tuesday's trading session and currently trading at 1.2214. GBP/USD Support is at (1.2115-1.2165) any break below would take the pair down to 1.2085. Short term outlook is Bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	2.31	2.63	2.88	3.06	3.31
USD	1.88	1.94	2.01	1.96	1.87
EUR	-0.55	-0.52	-0.44	-0.43	-0.37
GBP	0.70	0.71	0.76	0.82	0.88
CHF	-0.82	-0.80	-0.79	-0.74	-0.63
AUD	0.70	0.83	1.00	1.00	0.93

Economic Events

Economic Ev	ents					
Date	Country	Event	Actual	Forecast	Previous	
7-Oct-19	USD	Fed Chair Powell Speaks				
8-Oct-19	GBP	BOE Gov Carney Speaks				
8-Oct-19	USD	Core PPI m/m	-0.3%	0.2%	0.3%	
9-Oct-19	USD	Crude Oil Inventories			3.1M	
9-Oct-19	USD	FOMC Meeting Minutes				
10-Oct-19	USD	Treasury Currency Report				
10-Oct-19	GBP	GDP m/m		0.0%	0.3%	
10-Oct-19	GBP	Manufacturing Production m/m		0.1%	0.3%	
10-Oct-19	EUR	ECB Monetary Policy Meeting Accounts				
10-Oct-19	USD	Core CPI m/m		0.2%	0.3%	
		and from Paytors				

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	1.59	1.42	1.36	1.54	2.04
Germany	-0.73	-0.79	-0.82	-0.59	-0.10
United Kingdom	0.41	0.30	0.21	0.41	0.94
Japan	-0.30	-0.33	-0.36	-0.22	0.37
Commodities	Global Indices				
Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	59.68	0.15	Dow Jones	26,164.04	(1.19)
Brent	58.09	(0. <mark>2</mark> 6)	Nikkei 225	21,442.18	(0.67)
West Texas	52.69	0.19	S&P 500	2,893.06	(1.56)
Gold	1.505.91	0.04	KuwaitSE	5.719.37	(0.02)

All information has been sourced from Reuters

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Total new Griffier information or discussion, please contact the Treasury Services besk on TSD_LIST@NBK.COM or +965 2221 6603 (TELEX: 48811 - FAX +965 2241 9720).