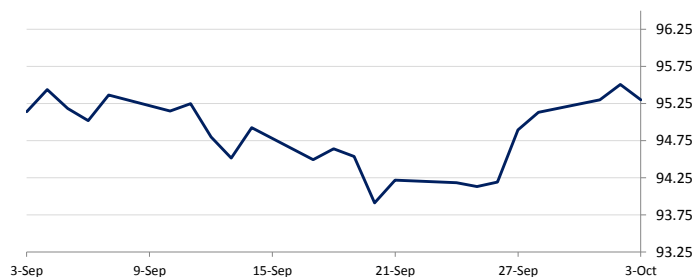


Highlights in the Foreign Exchange Market:

- In the US, Federal Reserve chairman Jerome Powell defended his approach of gradually lifting interest rates during his speech on Monday. Powell expressed that rising wages do not necessarily trigger high inflation, and that such correlations have been reduced in recent decades. The US unemployment rate is currently around 3.9% and is expected to drop in the coming months. Wage growth is at its quickest pace in nine years while GDP was recorded at more than 4% in the second quarter. The expanding economy has not discouraged the Fed from its gradual program of rate rises as the Fed is expected to raise rates again in December following 3 rate hikes this year. Powell affirmed his opinion stating that "This historically rare pairing of steady, low inflation and very low unemployment is testament to the fact that we remain in extraordinary times."
- Political turmoil in Italy took center stage as the Italian populist coalition government prepares to submit its draft budget to the European Commission this month. The budget proposal would see the budget deficit rise to 2.4%, including cuts on income and corporate tax. The plans have drawn harsh criticism from EU chiefs, warning that Italy's breach of EU rules threatens the Euro's existence. Yields on 10-year BTP bonds were up by 15 basis points to its highest level in four years at 3.452%. The euro fell 0.3% to \$1.1548, while the dollar index benefited and was up 0.2% at 95.459.
- The Reserve Bank of Australia kept rates in line with economists' forecasts, maintaining its cash rate unchanged at 1.5%. The last rate adjustment by the RBA was in August 2016 in which the cash rate was cut from 1.75% to 1.5%. RBA governor Philip Lowe added that though the Australian economy has enjoyed growth over the past year, US trade policy has created "ongoing uncertainty" for the global outlook. The Australian dollar was up slightly following the rates decision and is currently trading at around the 0.7184 level.

US Dollar Index
1 Month Performance



EUR/USD
1 Month Performance

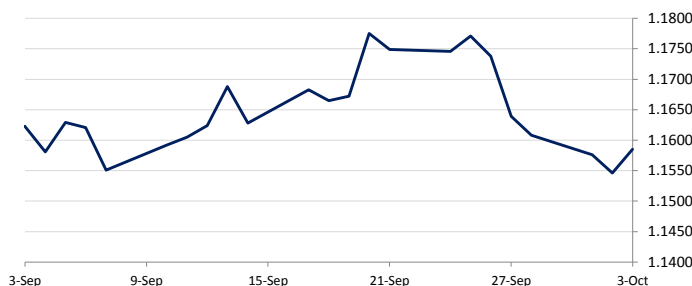


Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1475	1.1520	1.1575	1.1635	1.1685
GBP	1.2890	1.2940	1.2990	1.3045	1.3095
JPY	112.65	113.15	113.64	114.15	114.65
CHF	0.9735	0.9790	0.9838	0.9895	0.9940

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1546	(3.48)	EUR/GBP	0.8895	0.23
GBP/USD	1.2977	(3.78)	GBP/JPY	147.50	(2.77)
USD/JPY	113.66	0.97	EUR/JPY	131.22	(2.57)
USD/CHF	0.9838	1.07	EUR/CHF	1.1361	(2.47)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved down to the 1.1504 level during Tuesday's trading session and currently trading at 1.1575. 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 down to the 113.50 level during Tuesday's trading session and currently trading at 113.66. USD/JPY Support is at (112.45-112.65) 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	2.21	2.27	2.41	2.61	2.92
EUR	-0.43	-0.40	-0.36	-0.31	-0.21
GBP	0.71	0.72	0.80	0.90	1.07
CHF	-0.79	-0.78	-0.74	-0.65	-0.52
AUD	1.85	1.94	2.31	2.31	2.32

Economic Events

Date	Country	Event	Actual	Forecast	Previous
30-Sep-18	USD	FOMC Member Williams Speech			
1-Oct-18	USD	ISM Manufacturing PMI	59.8	60.1	61.3
1-Oct-18	GBP	Manufacturing PMI	53.8	52.6	53
1-Oct-18	EUR	Unemployment Rate	8.1%	8.2%	8.2%
2-Oct-18	AUD	RBA Rate Statement			
2-Oct-18	AUD	RBA Interest Rate Decision	1.5%	1.5%	1.5%
2-Oct-18	USD	Fed's Powell Speech			
3-Oct-18	GBP	Servies PMI		54.0	54.3
3-Oct-18	USD	ISM Non-Manufacturing PMI		58.0	58.5
3-Oct-18	USD	Fed's Powell Speech			

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.57	2.82	2.96	3.07	3.22
Germany	-0.62	-0.59	-0.16	0.45	1.07
United Kingdom	0.74	0.79	1.13	1.52	1.89
Japan	-0.13	-0.12	-0.08	0.13	0.91

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	82.79	0.24	Dow Jones	26,773.94	0.46
Brent	86.02	(0.02)	Nikkei 225	24,111.08	(0.66)
West Texas	75.11	(0.13)	S&P 500	2,923.43	(0.04)
Gold	1,204.33	0.14	KuwaitSE	5,114.92	(0.96)

All information has been sourced from Reuters.

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