

Highlights in the Foreign Exchange Market:

- The US equity market suffered its largest decline in nearly four months. The US 10-year Treasury bond has hit a yield of 3.23% on the back of robust economic data. The S&P 500 recorded its biggest one-day loss since June, dropping 0.8%. Adding to the market pressure, allegations of Chinese interference with US companies dragged investor sentiment after a Bloomberg News article was released on Friday. The article claimed that Beijing had hacked American computer networks using a microchip inserted during manufacturing. Paired with a months-long tariff dispute, the latest developments raise the question of China's place in the supply chain to the US consumer.
- The Chinese Central Bank has cut its reserve requirement ratio for the fourth time this year by 1%. The easing measure was highly expected in the midst of US-China political tensions. The cut is said to release \$175 billion as the bank shifts to looser monetary policies while both equities and the Chinese yuan suffered this week. Chinese equities slumped as the CSI 300 index fell 3.7% among a sharp sell-off across global markets. The stronger dollar supported by robust economic data has added to China's weakening renminbi as it dropped by 0.5% to Rmb6.899.
- Oil prices tumbled 3% on the prospect of increased production from Saudi Arabia and Russia. Recently, oil prices had gone up to four-year highs as US sanctions on Iran and supply losses from Venezuela contributed to the high priced market. In an attempt to counteract soaring prices, Saudi Energy Minister Khalid al-Falih announced on Thursday that the Organization of the Petroleum Exporting Countries was able to raise output by 1.3 million barrels per day. Markets now brace for US sanctions on Iran's oil exports that will take effect on November 4. Brent crude fell 0.98% to \$83.36 a barrel this past week, while US West Texas Intermediate also faced a 1.06% loss, settling at \$74.33 a barrel.

S&P 500
2-Month Performance



Brent Crude
3-Month Performance



Chart Points and Other Technical Input

CCY	2nd Support	1st Support	Spot	1st Resistance	2nd Resistance
EUR	1.1415	1.1465	1.1514	1.1565	1.1620
GBP	1.3010	1.3060	1.3111	1.3165	1.3215
JPY	112.65	113.15	113.70	114.25	114.75
CHF	0.9815	0.9865	0.9916	0.9975	1.0025

Major Currencies

CCY	Closing Rate	YTD %	CCY	Closing Rate	YTD %
EUR/USD	1.1523	(4.16)	EUR/GBP	0.8784	(1.08)
GBP/USD	1.3122	(3.17)	GBP/JPY	149.16	(2.12)
USD/JPY	113.70	0.99	EUR/JPY	130.99	(3.21)
USD/CHF	0.9916	1.77	EUR/CHF	1.1429	(2.46)

Major Crosses

Brief Technical Commentary

EUR/USD: The pair moved up to the 1.1549 level during Friday's trading session and currently trading at 1.1514 EUR/USD Support is at (1.1415-1.1465) any break below targets 1.1295 Short term outlook and medium term outlook remains neutral.

USD/JPY: The pair moved down to the 113.53 level during Friday's trading session and currently trading at 113.85 USD/JPY Support is at (112.35-112.65) any break below targets 108.10 Short term and medium term outlook are bearish.

Local & Global Rates

CCY	1-Week	1-Month	3-Month	6-Month	1-Year
KWD	1.19	1.69	2.00	2.31	2.56
USD	2.21	2.28	2.41	2.62	2.96
EUR	-0.44	-0.42	-0.36	-0.31	-0.22
GBP	0.71	0.72	0.80	0.90	1.09
CHF	-0.80	-0.78	-0.74	-0.66	-0.53
AUD	1.74	1.90	2.24	2.17	2.28

Economic Events

Date	Country	Event	Actual	Forecast	Previous
10-Oct-18	USD	FOMC Member Williams Speaks			
10-Oct-18	GBP	GDP m/m		0.1%	0.3%
10-Oct-18	GBP	Manufacturing Production m/m		0.1%	-0.2%
10-Oct-18	USD	PPI m/m		0.2%	-0.1%
11-Oct-18	USD	MPC Member Vlieghe Speaks			
11-Oct-18	JPY	PPI y/y		2.9%	3.0%
11-Oct-18	GBP	MPC Member Vlieghe Speaks			
11-Oct-18	USD	CPI m/m		0.2%	0.2%
11-Oct-18	USD	Crude Oil Inventories			8.0M
12-Oct-18	CNY	Trade Balance			180B

Government Yields

Country	1-Year	2-Year	5-Year	10-Year	30-Year
United States	2.61	2.89	3.07	3.23	3.40
Germany	-0.61	-0.56	-0.08	0.56	1.18
United Kingdom	0.83	0.90	1.29	1.73	2.04
Japan	-0.14	-0.13	-0.07	0.14	0.93

Commodities

Index	Last Price	% Change	Index	Last Price	% Change
Kuwait Oil	82.23	(0.99)	Dow Jones	26,447.05	(0.68)
Brent	85.16	(0.02)	Nikkei 225	23,783.72	(0.80)
West Texas	74.21	(0.13)	S&P 500	2,885.57	(0.55)
Gold	1,195.31	(0.59)	KuwaitSE	5,103.72	(0.90)

All information has been sourced from Reuters.

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