

Market Commentary

KFH Treasury

Report produced on
19-Oct-2026



Forex Market



JAPANESE YEN



CLOSE

157.99

1M %chg

0.72%

3M %chg

-2.71%

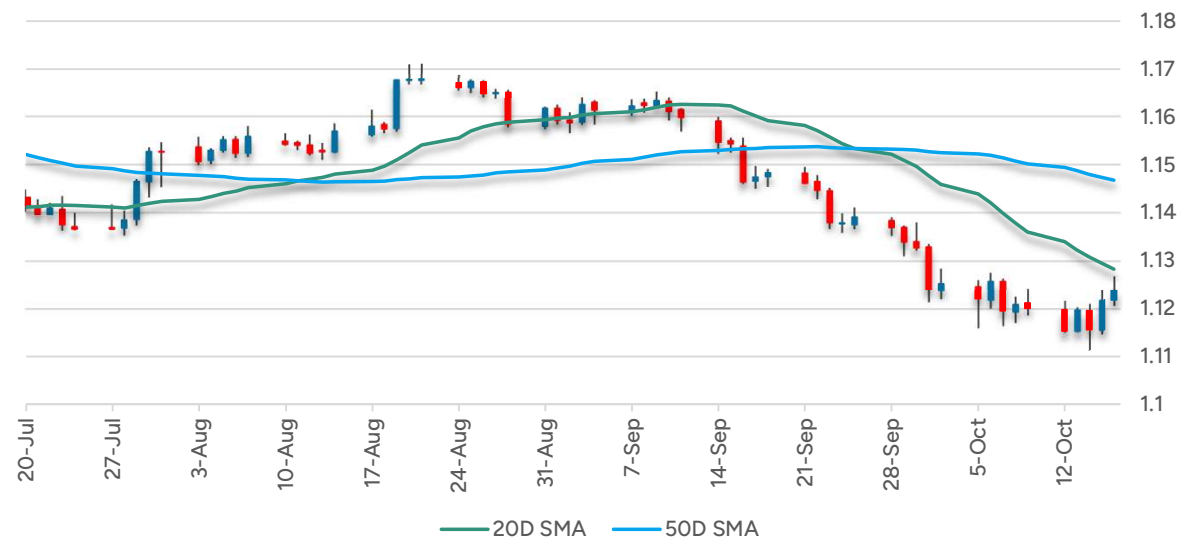
USD/JPY in stasis still, many JPY crosses better bid

19 Oct 2026 07:30:30 AM

- * USD/JPY in stasis with USD tad weaker, Asia 157.70-158.11 EBS
- * Holding below 158.57 200-DMA, near top of 156.64-158.44 daily Ichi cloud
- * From below into hourly Ichimoku cloud, cloud currently 157.94-158.25
- * Descending 100-HMA in cloud at 158.13, flat 200-HMA 158.19
- * Japanese exporter offers eyed 158.50+, importers on dips still
- * CHF/JPY buoyant, 191.05-77, holding below 192.14 high Friday
- * Recent cap 192.47 on September 24



EURO



CLOSE

1.1239

1M %chg

-2.12%

3M %chg

-1.75%

EUR/USD holds above recent lows but some crosses down

19 Oct 2026 06:49:32 AM

- * EUR/USD managing to hold above recent lows, Asia 1.1182-1.1234 EBS
- * USD soft and helping despite EU concerns currently focusing on France
- * EUR/USD holding above 1.1177-1.1219 ascending hourly Ichimoku cloud
- * In cloud very early Asia before bouncing above
- * 200 and 100-HMAs in cloud at 1.1201 and 1.1203, respectively
- * Recent EUR/USD low 1.1113 on October 14, 1.1269 high Friday resistance
- * Large option expiries today include 1.1175-95 total E1.6 bln
- * Also 1.1200 E1.5 bln, 1.1515-35 E1 bln, 1.1255-65 E2.1 bln, 1.1300 E2.1 bln

Forex Market

POUND STERLING



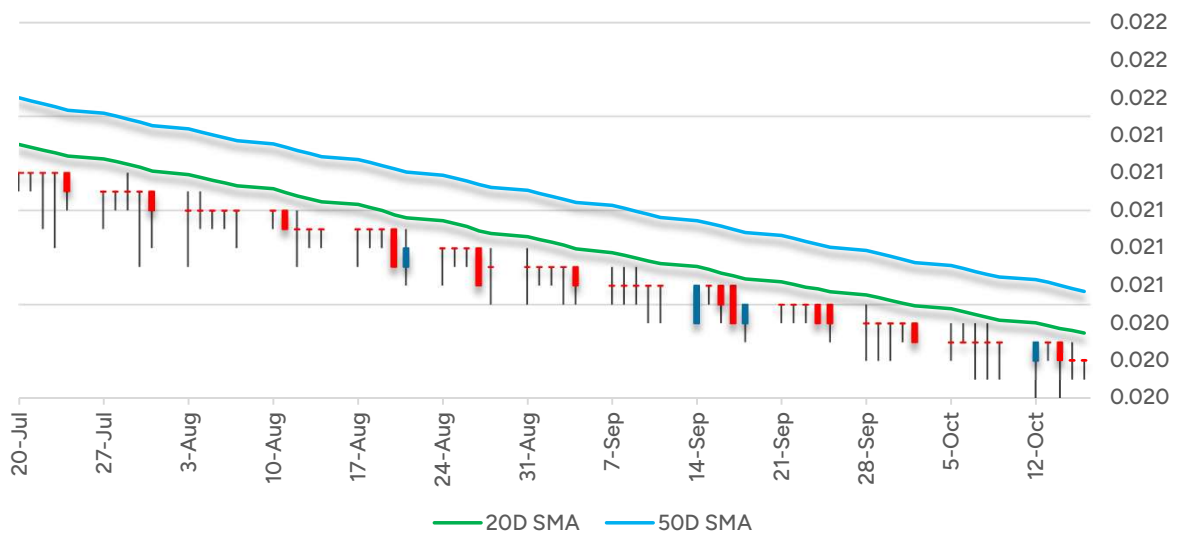
CLOSE1.3328

1M %chg-0.49%

3M %chg-0.93%

COMMENT-Sterling extends gains as focus shifts to unwinding US dollar longs
16 Oct 2026 06:44:39 PM
The sterling market's narrative is shifting beyond broad concerns of global inflation, fiscal health, and geopolitics to a more immediate focus on the unwinding of long US dollar positions. The pound has climbed more-than two big figures from its post-CPI slide to 1.4137, with the dollar now retreating broadly from an 18-month high despite the firm inflation print. For now, the outlook for GBP appears bullish, with potential upside targets at 1.2406, the 50% Fib of the 1.2675-1.2137 range, and the September 9 high of 1.2566. However, a potential obstacle could emerge on October 28 with the release of the UK Autumn Budget, particularly if traders perceive that the government is deviating from its stated fiscal rules.

TURKISH LIRA



CLOSE0.0202

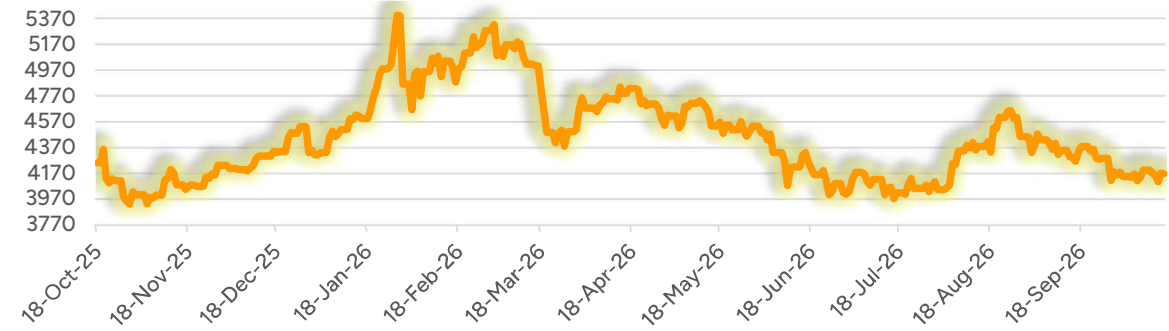
1M %chg-1.46%

3M %chg-4.72%

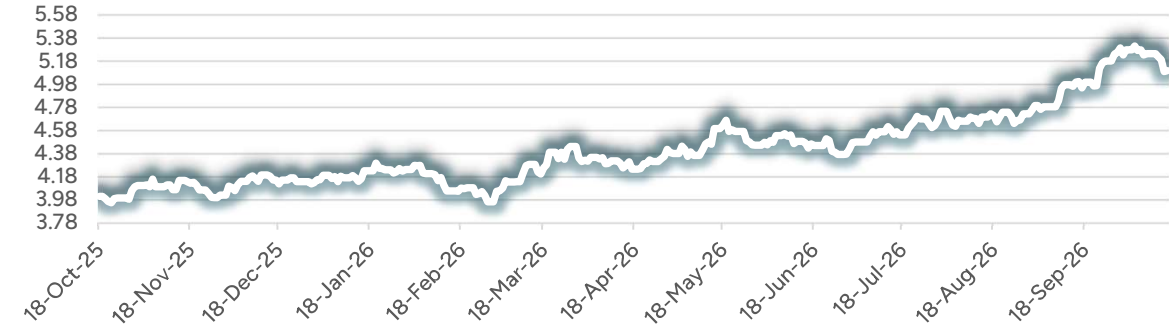
Turkey - Factors to Watch
19 Oct 2026 08:13:13 AM
ISTANBUL, Oct 19 (Reuters) - The lira was quoted at 49.5345-49.5525 against the U.S. dollar, after closing at 49.5275 on Friday. The BIST 100 index closed 2.89% lower at 11,721.72 points on Friday.

Gold, US Treasury & Dollar Index

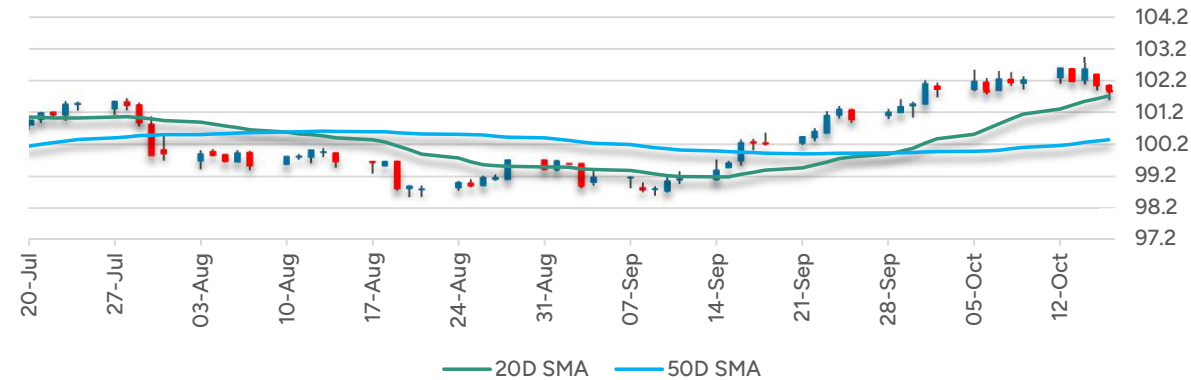
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

5.06

1M %chg

1.29%

3M %chg

11.44%

PRECIOUS-Gold edges higher on softer oil; Fed rate outlook in focus

19 Oct 2026 07:09:19 AM

Oct 19 (Reuters) - Gold prices edged higher on Monday as softer oil prices offered support, while investors assessed the chances of a Federal Reserve interest rate hike later this year and looked for fresh signals on the US central bank's policy trajectory. Spot gold XAU= rose 0.3% to \$4,175.60 per ounce, while US gold futures GCc1 for December delivery gained 0.4% to \$4,196.40. "Gold is posting a modest rise to start the week. The metal is responding positively to the softer tone in oil prices from an inflation standpoint," said Tim Waterer, chief market analyst at KCM Trade. According to the CME's FedWatch Tool, traders are pricing in a 16% chance of a rate hike this month and a 92% chance of an increase in December. While gold is typically considered a hedge against inflation, higher interest rates reduce the appeal of the non-yielding asset. Among other metals, spot silver XAG=rose 0.9% to \$57.54 per ounce, platinum XPT= gained 0.7% to \$1,642.29 and palladium XPD= climbed 1.5% to \$1,129.13.

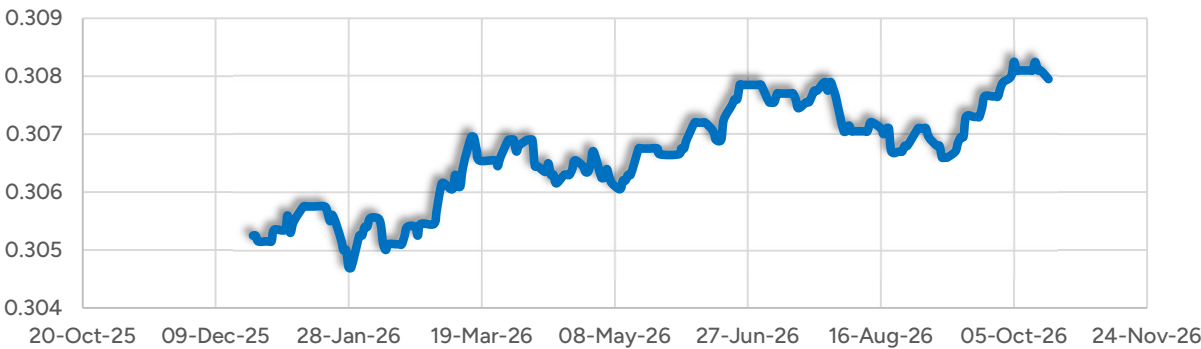
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Tertiary Ind Act NSA	JP	19/Oct 07:30	Aug	0.90%	
Claimant Count Unem Chng	GB	20/Oct 09:00	Sep	27.8k	
HMRC Payrolls Change	GB	20/Oct 09:00	Sep	-26k	
ILO Unemployment Rate	GB	20/Oct 09:00	Aug	4.90%	4.90%
Housing Starts Number	US	20/Oct 15:30	Sep	1.275Mn	1.305Mn
Exports YY	JP	21/Oct 02:50	Sep	19.30%	20.10%
Imports YY	JP	21/Oct 02:50	Sep	28.00%	19.60%
Trade Balance Total Yen	JP	21/Oct 02:50	Sep	-1111.9Bn¥	-181Bn¥
CPI YY	GB	21/Oct 09:00	Sep	3.10%	3.40%
Initial Jobless Clm	US	22/Oct 15:30	W 17 Oct	199k	200k
Consumer Confid. Flash	EU	22/Oct 17:00	Oct	-16.5	-17.0

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1218	1.1269	1.1206	1.1239	0.19%
GBP	1.3271	1.3371	1.3263	1.3328	0.41%
JPY	157.98	158.33	157.67	157.99	0.01%
TRY	0.0202	0.0202	0.0201	0.0202	0.00%
Dollar Idx	102.044	102.086	101.576	101.837	-0.21%
Brent	105.65	110	104.91	109.86	3.72%
WTC	104.28	108.33	104	108.21	3.34%
Gold	4169.22	4198.49	4146.9739	4165.0068	-0.13%
KWSE Index	8483.41	8500.89	8432.74	8442.06	-0.40%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.69	3M	3.69
SW	3.31	6M	3.88
1M	3.50	1Y	4.06

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30800

3M% CHG

0.13%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	11/Dec/'25	3.13	3.38	-0.25
1W Repo Rate	11/Dec/'25	3.38	3.63	-0.25
1M Repo Rate	11/Dec/'25	3.63	3.88	-0.25
KWD ON Rate	11/Dec/'25	10.00	10.00	0.00
Discount Rate	11/Dec/'25	3.50	3.75	-0.25

SOFR RATES

Tenor	Value	Tenor	Value
1M	3.95	6M	4.24
3M	4.08	1Y	4.50

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	16/Sep/'26	4.00	3.75	0.25
ECB Refinancing Rate	10/Sep/'26	2.65	2.40	0.25
BOE Bank Rate	19/Jun/'25	4.25	4.25	0.00
BOJ Prime Rate	09/Oct/'26	3.70	3.70	0.00
TRY ON Lending Rate	22/Jan/'26	40.00	41.00	-1.00

KEY INTERNATIONAL STORIES

US import prices increase; post largest annual gain in more than four years

WASHINGTON, Oct 16 (Reuters) - US import prices increased more than expected in September, boosted by higher costs for energy products and a range of other goods, further evidence of rising inflation pressures as the Middle East conflict persists. Import prices jumped 1.1% last month after rebounding by a downwardly revised 0.5% in August, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast import prices, which exclude tariffs, increasing 0.8% after a previously reported 0.7% advance in August.

UK watchdog moves to protect energy market from wholesale price swings

Oct 16 (Reuters) - The British energy regulator Ofgem on Friday launched a consultation on activating its market stabilisation charge, to protect energy suppliers from wholesale price swings and continued market volatility during a possibly tough winter. The mechanism protects suppliers from losses when energy prices fall sharply by compensating suppliers that bought energy in advance if customers switch to cheaper deals. Ofgem said activating the mechanism would not automatically increase customer bills, with payments between suppliers only occurring if wholesale prices were to fall substantially.

BOJ chief flags inflation overshoot risk, stresses importance of 2% anchor

TOKYO, Oct 16 (Reuters) - Bank of Japan Governor Kazuo Ueda on Friday reiterated the risks of underlying inflation overshooting the central bank's 2% target, stressing the growing importance of keeping price pressures anchored around that level. In a speech read out by Deputy Governor Shinichi Uchida at a meeting of Japanese credit unions, Ueda said factors including tensions in the Middle East, AI-related demand and currency swings could affect Japan's economy and prices, pointing to a risk that underlying inflation could exceed the BOJ's price target.

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China's central bank chief urges 'comprehensive' view on global imbalances

BEIJING, Oct 15 (Reuters) - China's central bank governor called for looking beyond current account and exchange rate adjustments when it comes to global imbalances, in a further defence of China's policies against trade partners' criticisms. The People's Bank of China (PBOC) Governor Pan Gongsheng urged a "more comprehensive analytical perspective" regarding global imbalances in a G20 meeting of finance ministers and central bank governors on Thursday in Bangkok, a central bank statement showed. Global imbalances cannot be resolved through exchange rate adjustments alone, he said.

Brazil economic activity up 0.3% in August, matching forecasts

BRASILIA, Oct 16 (Reuters) - Economic activity in Brazil rose by a seasonally adjusted 0.3% in August from the previous month, a central bank index showed on Friday, matching the median forecast in a Reuters poll of economists. The IBC-Br index, a proxy for gross domestic product, is compiled using the bank's estimates for agriculture, industry and services, as well as taxes linked to production. August's gain was driven by industry, which expanded 0.9% from July. On an unadjusted basis, the index was up 1.2% from a year earlier and rose 1.6% on a rolling 12-month basis through August.

Oil tumbles as Trump's Russia sanctions waiver may lead to more fuel supplies

SINGAPORE, Oct 19 (Reuters) - Oil prices slipped on Monday after US President Donald Trump waived sanctions and tariffs on Russia that may lead to more Russian fuel exports. Brent crude futures fell \$1.94, or 1.77%, to \$107.92 a barrel after settling at its highest since May 19 on Friday. US West Texas Intermediate crude CLC1 was at \$100.58 a barrel, down 83 cents, or 0.82%, after closing at its highest since September 17 on Friday. Brent crude oil briefly touched \$110 a barrel on Friday for the first time since May as tensions and security threats in the Middle East raised concerns over the safety of shipping and tighter global energy supplies.