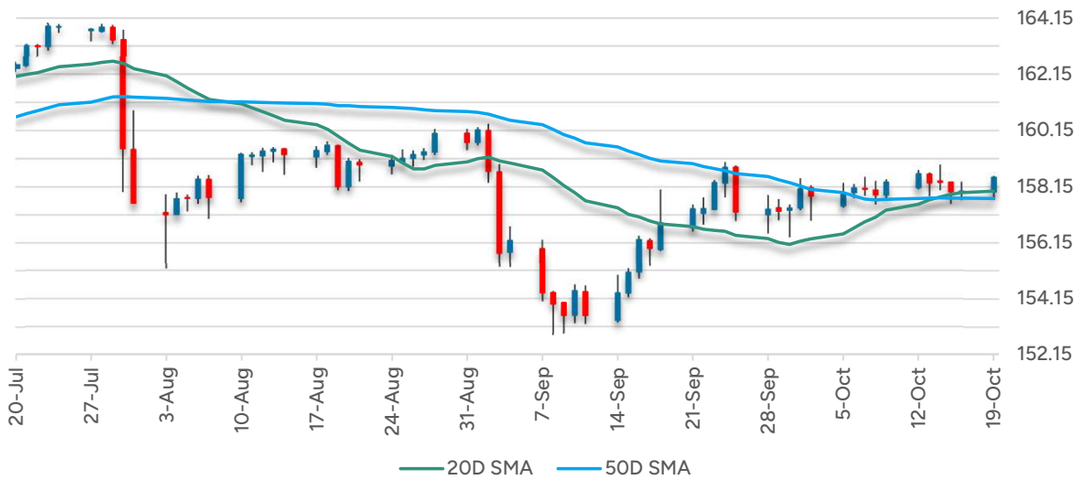
بيت التمويل الكويتي
KFH

Market Commentary
KFH Treasury

Report produced on
20-Oct-2026

Forex Market

JAPANESE YEN



CLOSE	1M %chg	3M %chg
158.48	1.03%	-2.47%

USD/JPY, JPY crosses buoyant after moves higher overnight
20 Oct 2026 07:21:07 AM
* USD/JPY buoyant and 158.37-60 EBS in Asia, Gotobi Tokyo fix importer demand
* Upside capped however on Japanese exporter, other sales
* Recent official rhetoric, concerns over FX intervention still
* BOJ also seen hiking in December as Fed Oct rate hike expectations fade
* Spot in area of 158.57 200-DMA, top of 156.28-158.44 daily Ichimoku cloud
* 100-DMA 159.44 above, 200/100-HMAs 158.21/16 below, hourly cloud 157.94-95
* EUR/JPY 177.78-90 EBS, holding below 178.33 recent high October 6
* EUR on whole steadier after widespread unrest in France, on short-covering

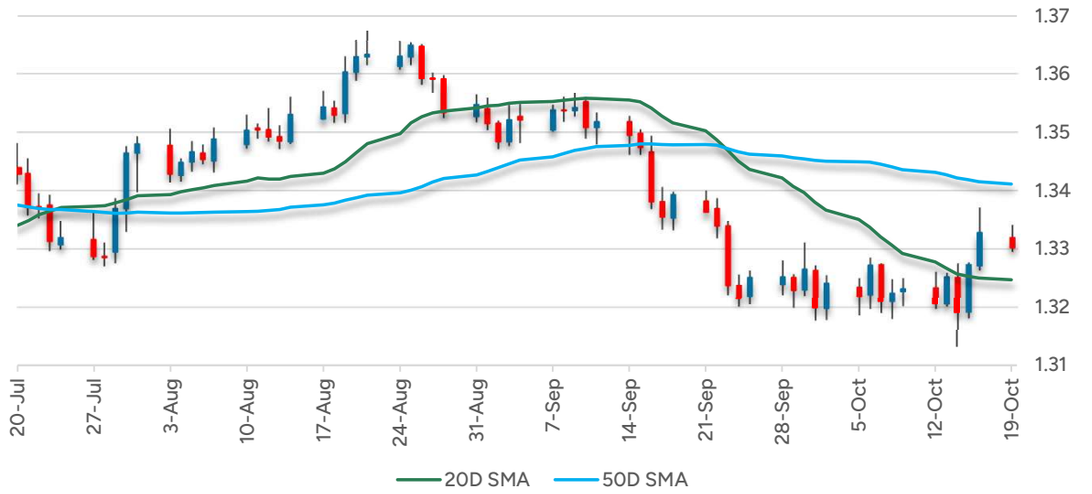
EURO

CLOSE	1M %chg	3M %chg
1.1210	-2.38%	-1.79%

EUR pairs take back some shorts following France news
20 Oct 2026 06:54:27 AM
* EUR markets look to have calmed a bit after France imposed curfews
* Rioting in France looks to be over for now but concerns still over OATs
* EUR looks to have steadied with some shorts taken back
* EUR/USD 1.1212-24 EBS, up from 1.1182 low yesterday, 1.1113 on October 14
* Upside looks to be capped for now at 1.1269 high on October 16
* Pivoting around 1.1218-25 hourly Ichi cloud, 100/200-HMAs 1.1209/01 below
* Massive option expiries in area to continue to contain spot action
* On 1.11 handle E2 bln, between 1.1200-1.1300 E7.5 bln, 1.1265 E4.1 bln alone

Forex Market

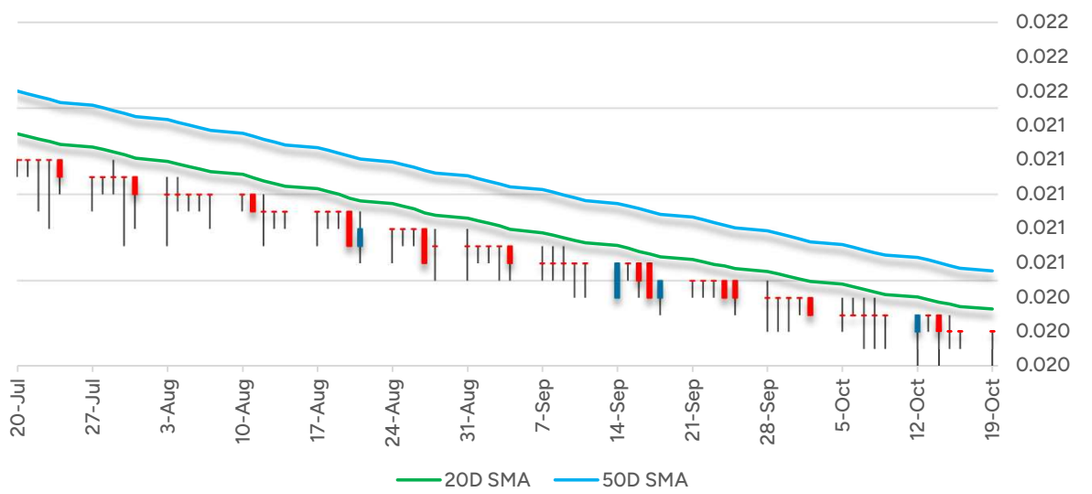
POUND STERLING



CLOSE	1M %chg	3M %chg
1.3302	-0.68%	-0.94%

GBP/USD-Inches higher ahead of key UK employment data
20 Oct 2026 06:51:13 AM
* GBP/USD up 0.15% in Asia after closing down 0.2% on Mon as US yields rallied
* Position adjustments dominate ahead of key UK data this week
* Aug employment on Tue, Sep inflation Wed; both key for BoE rate expectations
* New finance minister John Healey's first budget on Oct 28 also in focus
* Healey rules out capital gains tax increase in budget, Times reports
* Safe haven demand for USD amid French market turmoil likely to cap GBP
* BoE Monetary Policy Committee member Megan Greene is scheduled to speak Tue
* Resistance 1.3350, 1.3370, 1.3390-1.3400; support 1.3275-85, 1.3230

TURKISH LIRA

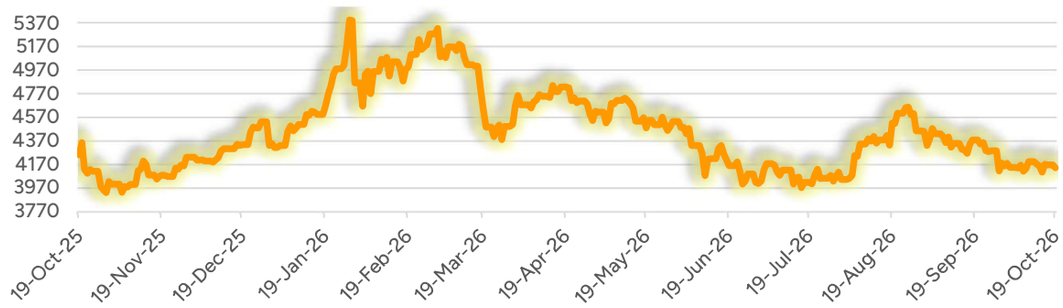


CLOSE	1M %chg	3M %chg
0.0202	-1.46%	-4.72%

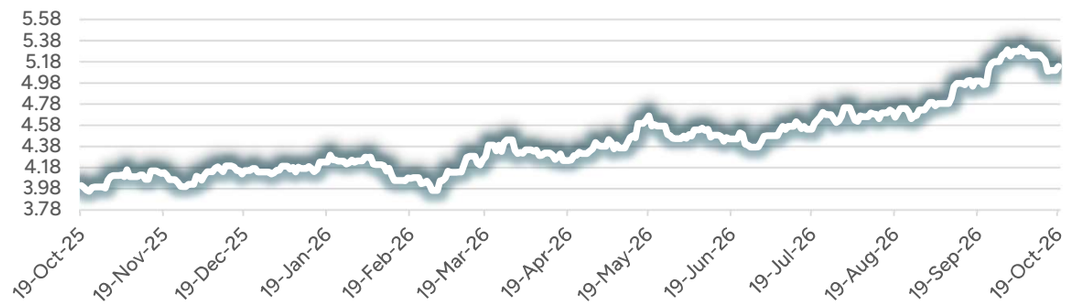
Turkey central bank seen to restart easing cycle with 100bp cut
19 Oct 2026 60:30:00 PM
ANKARA, Oct 19 (Reuters) - Turkey's central bank is expected to restart its rate-cutting cycle this week, after pausing in the wake of the U.S.-Iran war, a Reuters poll showed on Monday. Only two out of 24 economists in the poll, predicted no change to borrowing costs, while 22 economists forecast a rate cut when the bank announces its decision on Thursday. Economists also expect another 100 bp rate cut from the central bank in its December meeting bringing the year end policy rate to 35%, the poll conducted between October 14-19 showed. In September the central bank kept the policy rate unchanged at 37%. Economists expect the easing cycle to start on Thursday with a 100 bp cut.

Gold, US Treasury & Dollar Index

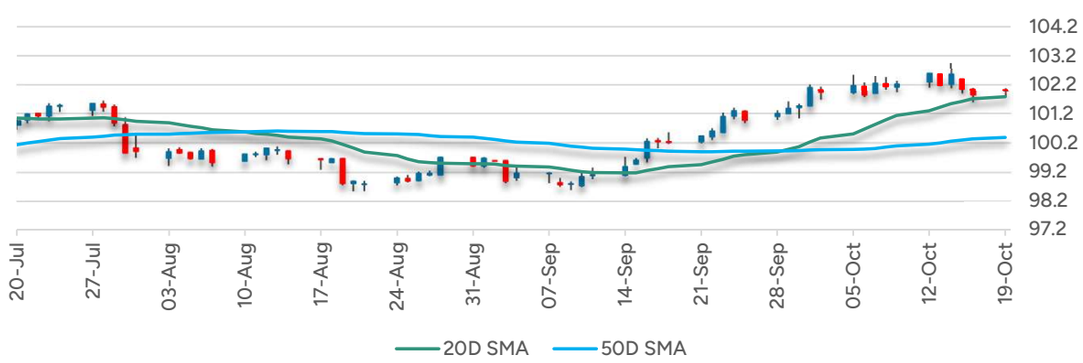
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD	1M %chg	3M %chg
5.13	**2.71%**	**11.60%**

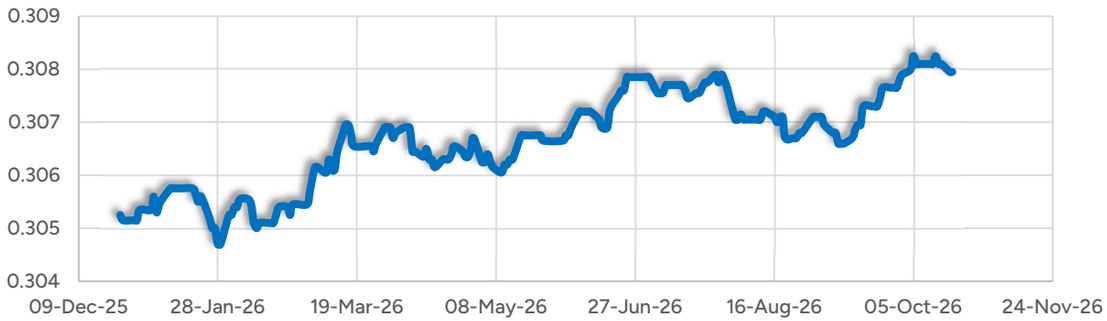
PRECIOUS-Gold inches up on softer dollar as investors assess Fed rate outlook
20 Oct 2026 08:16:14 AM
Oct 20 (Reuters) - Gold inched higher on Tuesday, helped by a softer US dollar, as market participants looked ahead to next week's Federal Reserve policy meeting for clues on the future path of interest rates. Spot gold was up 0.1% at $4,145.22 per ounce, while US gold futures for December delivery rose 0.1% to $4,164.70. According to CME's FedWatch Tool, traders are pricing in an 82% chance that the Fed will leave rates unchanged next week, but expectations for a hike in December remain at 89%. The US dollar index softened on Tuesday, making greenback-priced bullion more affordable for buyers overseas. Oil prices advanced on Tuesday, with Brent hovering around a five-month high as traders priced in a geopolitical risk premium after Yemen's Iran-aligned Houthis said on Monday they carried out several attacks against Saudi energy, airport and military targets. Among other metals, spot silver rose 0.7% to $57.48 per ounce, platinum gained 0.7% to $1,651.25 and palladium fell 0.2% to $1,117.87.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
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%	5.00%
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%
Core CPI YY	GB	21/Oct 09:00	Sep	2.60%	2.70%
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	1.1205	1.1234	1.118	1.121	-0.26%
GBP	1.3319	1.3341	1.3295	1.3302	-0.20%
JPY	157.97	158.54	157.68	158.48	0.31%
TRY	0.0202	0.0202	0.02	0.0202	0.00%
Dollar Idx	102.014	102.08	101.769	101.98	0.14%
Brent	109.65	110.7	106.82	109.55	-0.28%
WTC	107.3	110.83	106.95	106.66	-1.43%
Gold	4156.93	4190.24	4136.32	4139.67	-0.61%
KWSE Index	8447.25	8458.11	8350.82	8406.78	-0.42%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.75	3M	3.63
SW	3.31	6M	3.81
1M	3.50	1Y	4.06

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE	3M% CHG
0.30800	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	00/Jan/'00	0.00	0.00	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

Global Top News

KEY INTERNATIONAL STORIES

US homebuilder sentiment tumbles to near 14-1/2-year low in October

WASHINGTON, Oct 19 (Reuters) - US homebuilder sentiment plunged to the lowest level in nearly 14-1/2 years in October as the Middle East conflict boosted mortgage rates and prices of energy-related building materials, a survey showed on Monday. The National Association of Home Builders/Wells Fargo Housing Market index dropped three points to 29 this month, the lowest level since June 2012. The decline also reflected labor shortages amid an immigration crackdown as well as rising costs because of tariffs on imports. Economists polled by Reuters had forecast the index dipping to 31.

German industry has lost nearly half a million jobs since 2019, Ifo says

BERLIN, Oct 19 (Reuters) - German industry has shed nearly half a million jobs since 2019, an Ifo study showed on Monday, as manufacturers grapple with mounting competitive pressure. At the end of 2025, 496,000 fewer people were working than at the start of 2019, a drop of 7.1%. In the service sector, more than 2.2 million jobs were created, primarily in health and social services, and in public administration. The automotive industry and its suppliers cut 123,500 jobs, a drop of 13%, manufacturers of metal products cut 115,600 jobs, while 64,500 were cut in mechanical engineering.

Canada's annual inflation rate rose to 3.1% in September

OTTAWA, Oct 19 (Reuters) - Canada's annual inflation rate rose to 3.1% in September, data showed on Monday, as higher gasoline and diesel prices pushed the consumer price index above the Bank of Canada's upper limit once again after three months. Analysts polled by Reuters had forecast inflation of 3.2% in September, up from 3% in August. On a month-on-month basis, CPI rose by 0.1% in September from a drop of 0.1% in August, Statistics Canada said. Money markets are betting the BoC will hold its rate at 2.25% on October 28, although they are pricing in a 25-basis-point hike in December.

China's economic growth picks up as exports boom, consumers balk

BEIJING, Oct 19 (Reuters) - China's economic growth bounced off three-year lows in the third quarter, as roaring exports offset consumers' tight grip on their wallets, though analysts warn the growing reliance on external drivers is deepening structural imbalances. The 4.5% pace beat consensus forecasts and analysts expect Beijing to reach its 2026 target of 4.5%-5.0% without resorting to additional stimulus, helped by a strong start to the year and some recent modest fiscal and monetary support. China is on track to top last year's $1.2 trillion trade surplus despite rising global tensions. Industrial output rose 5.5% in September.

Brazil's government says $4 billion budget reshuffle needed for Lula measures in 2027

BRASILIA, Oct 19 (Reuters) - Brazil's Planning Ministry said on Monday that the budget reallocations needed to accommodate measures recently announced by President Luiz Inacio Lula da Silva as he seeks re-election in next Sunday's vote amount to about 20 billion reais ($3.95 billion) in the 2027 budget. In a statement, the ministry said the amount represents just over 1% of total primary expenditure subject to spending limits under Brazil's fiscal framework, adding such adjustments will be made while preserving both the overall spending cap and the government's primary budget target.

Brent crude holds near five-month high on Middle East tension

Oct 20 (Reuters) - Oil prices advanced on Tuesday, with Brent hovering around a five-month high as traders priced in a geopolitical risk premium from Houthi attacks on Saudi infrastructure and reports of vessel attacks in the Gulf. Brent crude futures climbed 55 cents, or 0.50%, to $110.10 a barrel, after rising as high as $110.70 a barrel in the previous session to their highest since May 20. The US West Texas Intermediate crude (WTI) contract for November delivery, set to expire on Tuesday, was up 0.24% to $103.91. The more-active December contract rose 39 cents, or 0.40%, to $98.93.

DISCLAIMER: This document and its contents do not reflect the opinions, views, policies or positions of London Stock Exchange Group plc ("LSEG") or its affiliates and they are prepared for Kuwait Finance House (KFH)'s and their clients internal consumption only and do not constitute an offer, or the solicitation of an offer, or advice to buy or sell a security or to make a particular investment or follow a particular strategy or enter into any agreement. The information and any views expressed are given as of the date of writing and are subject to change. While the information has been obtained from sources believed to be reliable, LSEG does not warrant that it is accurate or complete and it should not be relied on as such. Responsibility for any decisions taken by KFH (including but not limited to its affiliates and subsidiaries) on the basis of information contained herein solely rest with the end user i.e. KFH's clients. Market Data and News Source is LSEG Eikon. LSEG its affiliates, subsidiaries, employees, and contractors accept no liability for any direct or indirect loss arising out of the use of this document or its contents.

Market data & Reuters News is sourced from LSEG Workspace.