

Market Commentary

KFH Treasury

Report produced on
21-Oct-2026



Forex Market



JAPANESE YEN



CLOSE

158.16

1M %chg

0.51%

3M %chg

-3.06%

USD/JPY soggy beneath 50% retracement; 55 DMA props up

21 Oct 2026 07:59:04 AM

- * USD/JPY slips a tad to 158.11 after early Wed blip up to 158.39
- * Back under 158.44, the 50% retracement of July-Sept downturn
- * For now propped up by 21 DMA 158.04, and 55 DMA 157.79
- * If those supports crack, Bollinger downtrend channel 157.60 beckons
- * US yields on the retreat again, weighing on USD broadly in Asia
- * Japan finmin sees shift to wage-driven inflation phase



EURO



CLOSE

1.1236

1M %chg

-1.97%

3M %chg

-1.41%

EUR/USD consolidates in Asia, all eyes on France

21 Oct 2026 06:57:38 AM

- * EUR/USD -0.1% Wed as markets calibrate French response to civil unrest
- * France to deploy troops to reinforce police efforts to curb violence
- * EU investors remain rattled, the pan-European STOXX 600 index down 1% wtd
- * Brent crude +1.4% to \$110.32 a barrel as Middle East supply concerns return
- * EUR 1.1065 17-month low will be the target if the pair resumes downtrend
- * Range Asia 1.122500-3475, support 1.1065 1.0733, resistance 1.1285 1.1710

Forex Market



POUND STERLING



CLOSE

1.3378

1M %chg

0.11%

3M %chg

0.05%

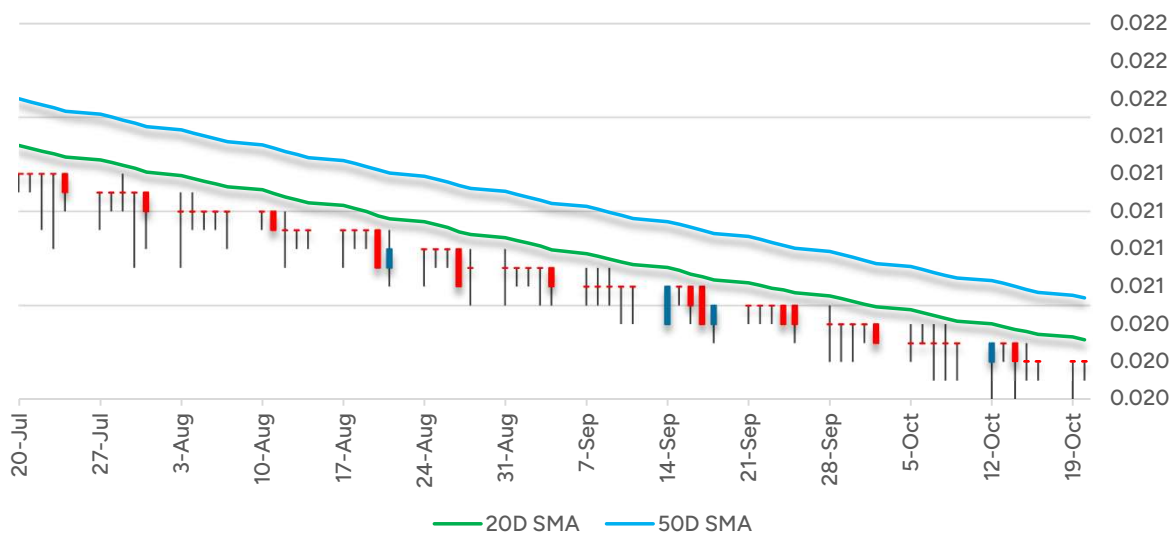
GBP/USD-Steadies after strong rally; UK inflation data due

21 Oct 2026 06:04:47 AM

- * GBP/USD unchanged in Asia after closing 0.55% higher Tuesday
- * Consolidates following rally to a 1-mth high on strong UK labour market data
- * UK jobs figures latest in string of better-than-forecast economic data
- * UK employer pay awards edge up to 3.1%, Brightmine says
- * Money markets almost fully price 25 bps BoE hike on November 5
- * Sep inflation data Wed may cement Nov hike; CPI seen up 3.4% vs Aug 3.1%
- * BoE policymaker Greene says inflation risks are bigger than thought
- * Resistance 1.3405-10, 1.3435-40 ; support 1.3340-50, 1.3300-10
- * Range Tuesday 1.3306-1.3409, Asia 1.3371-1.33785



TURKISH LIRA



CLOSE

0.0202

1M %chg

-1.46%

3M %chg

-4.72%

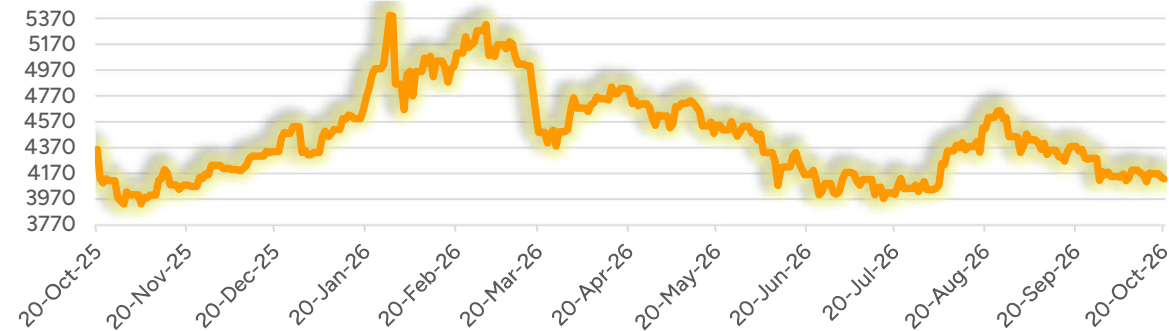
Turkey - Factors to Watch

21 Oct 2026 08:09:18 AM

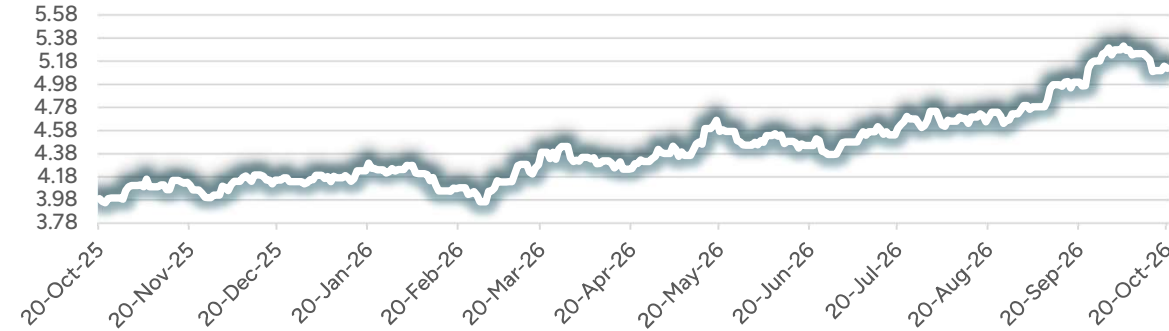
ANKARA, Oct 21 (Reuters) - The lira traded at 49.6010 against the U.S. dollar, after closing at 49.5775 on Tuesday. The BIST 100 index closed 3.22% higher at 11,797.70 points on Tuesday.

Gold, US Treasury & Dollar Index

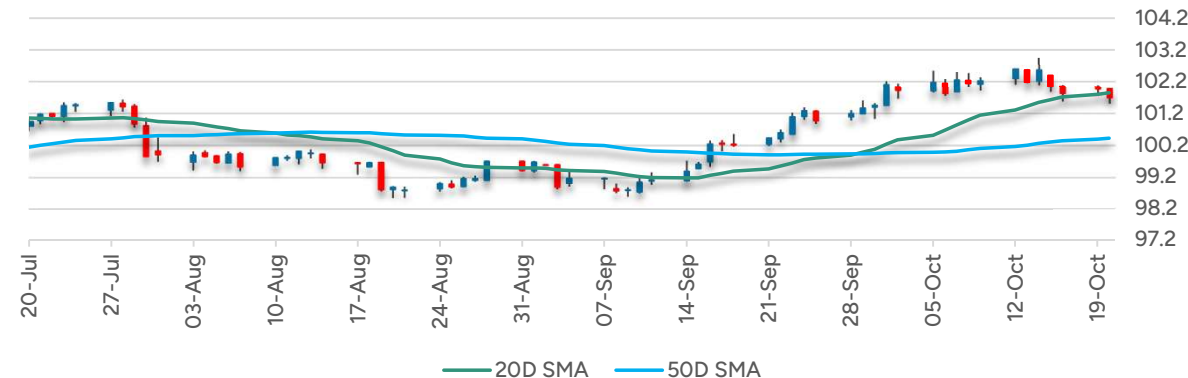
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

5.13

1M %chg

3.27%

3M %chg

10.74%

PRECIOUS-Gold dips for fourth session as oil rally fans inflation concerns

21 Oct 2026 07:44:44 AM

Oct 21 (Reuters) - Gold prices eased for a fourth session on Wednesday as higher oil prices stoked inflationary concerns, while investors looked ahead to next week's Federal Reserve policy meeting for clues on the future path of interest rates. Spot gold XAU= was down 0.2% at \$4,118.18 per ounce, while US gold futures for December delivery dropped 0.2% to \$4,136.20. Expectations of a rate hike at the central bank's October 27-28 policy meeting are as low as 16%, while traders still see a 90% chance of a hike in December, according to CME's FedWatch Tool. Higher interest rates typically weigh on gold prices because they increase the opportunity cost of holding the metal, which does not pay interest. Markets are also waiting for the US Personal Consumption Expenditures data next week, the Fed's preferred gauge to monitor its 2% inflation target. Among other metals, spot silver XAG= slid 0.9% to \$57.44 per ounce, platinum XPT= dropped 0.6% to \$1,638.61 and palladium XPD= slipped 1.1% to \$1,090.84.

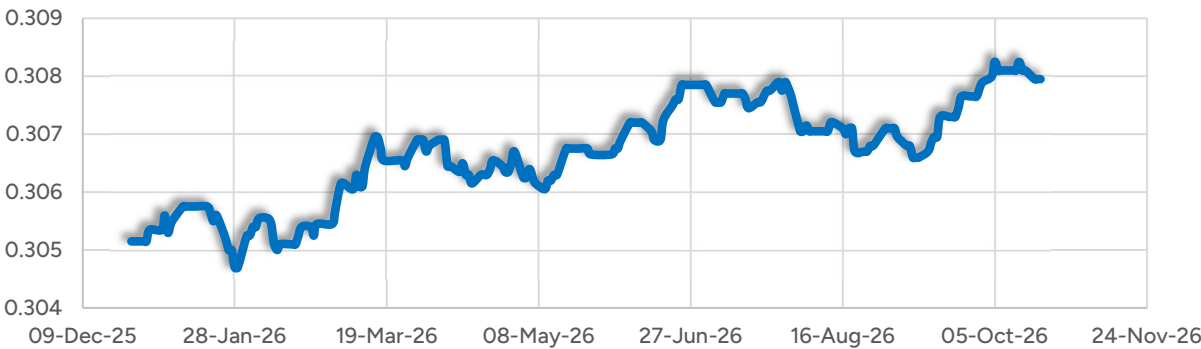
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
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
Nat Gas-EIA Implied Flow	US	22/Oct 17:30	W 16 Oct	67Bn	
CPI, Core Nationwide YY	JP	23/Oct 02:30	Sep	1.70%	2.10%
CPI, Overall Nationwide	JP	23/Oct 02:30	Sep	1.90%	
S&P Global Comp Op Flash SA	JP	23/Oct 03:30	Oct	52.3	
S&P Global Mfg PMI Flash SA	JP	23/Oct 03:30	Oct	54.1	

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1215	1.126	1.1204	1.1236	0.23%
GBP	1.3302	1.3409	1.3296	1.3378	0.57%
JPY	158.47	158.59	157.81	158.16	-0.20%
TRY	0.0202	0.0202	0.0201	0.0202	0.00%
Dollar Idx	101.98	101.982	101.506	101.701	-0.27%
Brent	109.15	111.99	105.95	108.79	-0.69%
WTC	112.43	113.58	107.84	107.89	1.15%
Gold	4140.84	4155.31	4111.22	4124.3406	-0.37%
KWSE Index	8431.11	8464	8373.26	8399.28	-0.09%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.88	3M	3.69
SW	3.38	6M	3.88
1M	3.50	1Y	4.06

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30800

3M% CHG

0.10%

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	3.93	6M	4.22
3M	4.06	1Y	4.48

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 single-family housing starts plunge; building permits hit 3-1/2-year low

WASHINGTON, Oct 20 (Reuters) - US single-family homebuilding fell sharply in September and permits for future construction tumbled to a 3-1/2-year low as higher mortgage rates suppressed demand, suggesting residential investment resumed its declining trend in the third quarter. Single-family housing starts, which account for the bulk of homebuilding, dropped 4.6% to a seasonally adjusted annual rate of 859,000 units last month, the lowest level since September 2025, the Commerce Department's Census Bureau said. Single-family building permits decreased 4.0% to a rate of 845,000 units.

UK jobs market shows some recovery signs as BoE mulls rate hike

LONDON, Oct 20 (Reuters) - British workers have seen another modest rise in the pace of pay growth and there were other hints of a small recovery in the jobs market, according to official data which could bolster the case for a Bank of England interest rate hike next month. Average weekly earnings, excluding bonuses, grew by 3.7% in the three months to August compared with the same period in 2025, the Office for National Statistics said, extending a gradual pickup since touching a low of 3.4% earlier this year. A Reuters poll of economists had pointed to a weaker increase of 3.6%.

German producer prices rise most in 3-1/2 years in September

Oct 20 (Reuters) - German producer prices rose at their fastest pace in three and a half years in September, the federal statistics office said on Tuesday, driven by higher energy prices due to the conflict in the Middle East. Prices charged by manufacturers for goods ranging from food to industrial products increased by 6.7% on the year, while analysts polled by Reuters expected a 6.2% increase. It was the strongest increase since March 2023 and an acceleration from the 4.6% recorded in August. The primary driver of the price increases was a 14.9% annual rise in energy prices. Intermediate goods were up 6.4%.

Japan's September exports rise 16.7%, helped by chip demand

TOKYO, Oct 21 (Reuters) - Japan's exports rose 16.7% in September from the same month a year earlier, government data showed on Wednesday, as strong demand for semiconductors and AI-related products continued to underpin growth. The 13th month of gain followed a 19.3% rise in August, Ministry of Finance data showed, though it fell short of a median market forecast of 20.1%. By destination, exports to the US rose 22.9% in September from a year earlier, while shipments to China increased 8.6%. Imports in September rose 18.9% on year compared with economists' median forecast of 19.6%.

Mexico inflation likely rose to 3.60% in early October

MEXICO CITY, Oct. 20 (Reuters) - Mexico's headline inflation likely accelerated in the first half of October while core inflation stabilized, a Reuters survey showed, supporting expectations the central bank will keep its key interest rate on hold for an extended period. The median of 15 estimates showed general headline inflation at 3.60% year-on-year, up from 3.49% in the second half of September. If confirmed, it would mark the third consecutive half-month increase. The core component was expected to increase 0.18% in the first-half of the month, the poll showed. Mexico's national statistics institute INEGI will release the inflation figures on Thursday.

Oil rises on Middle East supply fears, US inventory drawdowns

BEIJING, Oct 21 (Reuters) - Oil prices gained over \$1 as escalating Middle East tensions fuelled fears of supply disruptions, while falling US crude and product inventories lent support to the market. Brent crude futures rose \$1.59, or 1.5%, to \$110.38 per barrel. US West Texas Intermediate (WTI) crude gained \$1.36, or 1.4%, to \$99.18 per barrel. Prices fell in the previous trading session after Iran's president discussed mediation efforts in a meeting with Pakistan's army chief in Tehran, though Brent hit a five-month high before easing. According to market sources citing API data, US crude stocks fell by 4.9 million barrels in the week ended October 16.

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