

Market Commentary

KFH Treasury

Report produced on
22-Oct-2026



Forex Market

JAPANESE YEN



CLOSE

158.13

1M %chg

0.48%

3M %chg

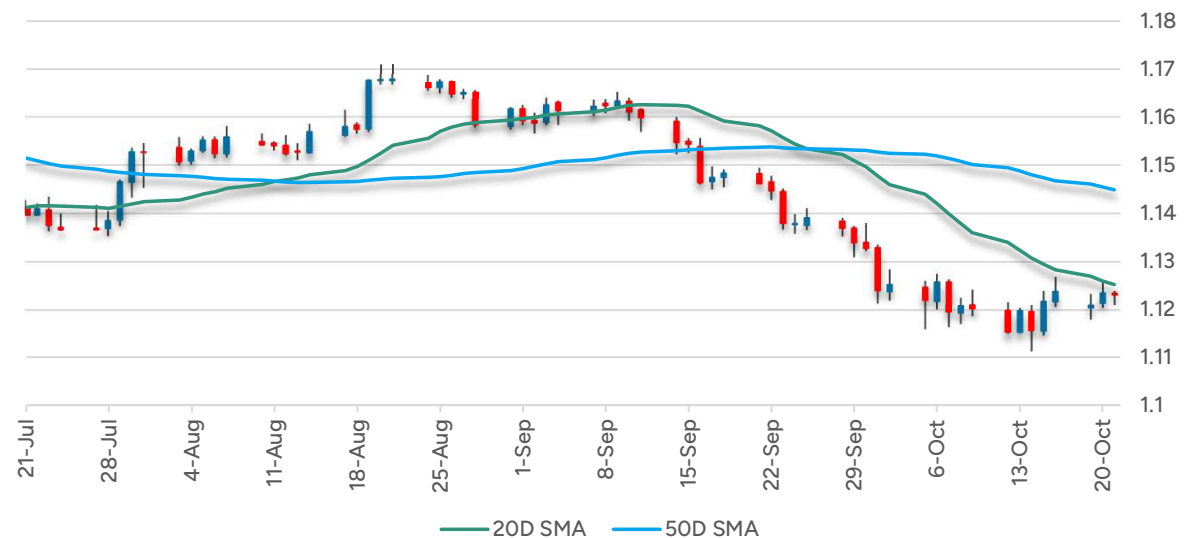
-3.07%

Sideways still for USD/JPY, options to contain today

22 Oct 2026 04:41:43 AM

- * USD/JPY in stasis, continues to trade sideways, Asia so far 158.12-22 EBS
- * Still holding below 158.56 200-DMA, at top of 155.64-158.44 daily Ichi cloud
- * Pivoting around 158.13-15 wafter thin hourly Ichimoku cloud
- * Massive nearby option expiries today to help contain spot action
- * 156.70-97 \$3.1 bln, on 157 \$9.1 bln, 158.00-15 \$3.4 bln 158.25-50 \$3.7 bln
- * At 158.75 \$1.2 bln and between 159.00-40 total \$3.3 bln, gamma all over
- * JGB-US Treasury rate differentials on wide side, in 2s @289, 10s @223 bps
- * Good demand for long-dated JGBs this week, especially after good auctions
- * Japanese exporter offers still up top, Japanese importer bids below

EURO



CLOSE

1.1232

1M %chg

-1.88%

3M %chg

-1.56%

Most EUR pairs steady, EUR/GBP remains on heavy side

22 Oct 2026 07:12:52 AM

- * EUR/USD 1.1228-38 EBS, quiet and steady, still in lower recent range
- * Pivoting around 1.1221-32 hourly Ichimoku cloud, 100-HMA 1.1226 in cloud
- * Underlining support for now at 1.1207 200-HMA, at 1.1200
- * Massive option expiries in area likely to keep spot contained for now
- * 1.1165-95 E4.3 bln, 1.1200 E2.4 bln, 1.1205-95 E5.3 bln, 1.1300-50 E7.2 bln

Forex Market

POUND STERLING



CLOSE1.3394

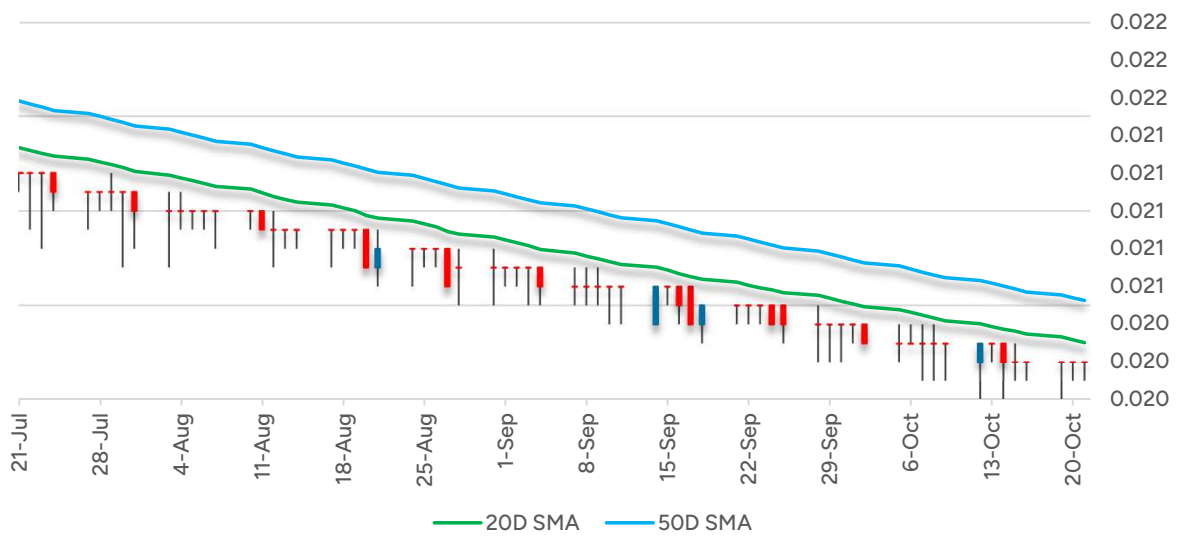
1M %chg0.41%

3M %chg0.17%

GBP/USD-Holds near a one-month peak on BoE rate expectations
22 Oct 2026 06:59:45 AM

- * GBP/USD consolidates in Asia after closing 0.1% higher on Wednesday
- * Holds gains vs. dollar and euro after hotter-than-anticipated UK inflation
- * UK inflation and borrowing climb before Healey’s first budget on Oct 28
- * 25 bps BoE Nov rate hike almost fully priced; 4 hikes expected by mid-2027
- * BoE Governor Andrew Bailey speaks during a 'fireside chat' Thu
- * Resistance 1.3405-10, 1.3435-40 ; support 1.3340-50, 1.3300-10
- * Wednesday range 1.3369-1.3402; Asia 1.3384-1.3398

TURKISH LIRA



CLOSE0.0202

1M %chg-1.46%

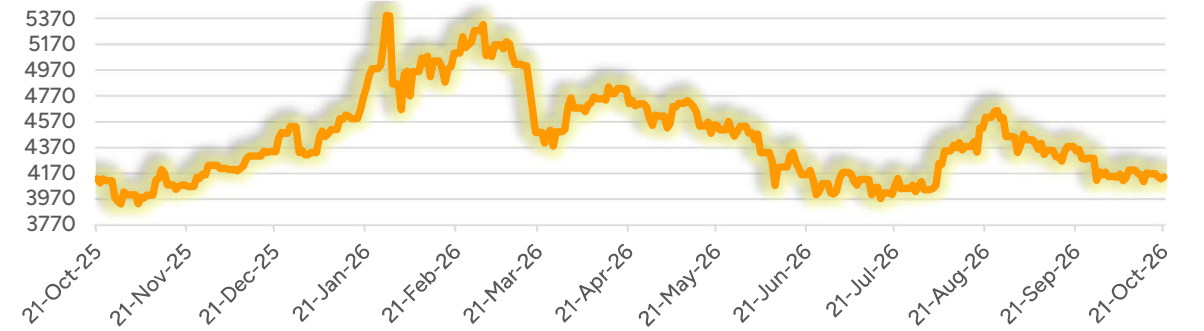
3M %chg-4.72%

Turkish Oct manufacturing confidence falls to 99.8 points - RTRS
21 Oct 2026 11:00:39 AM

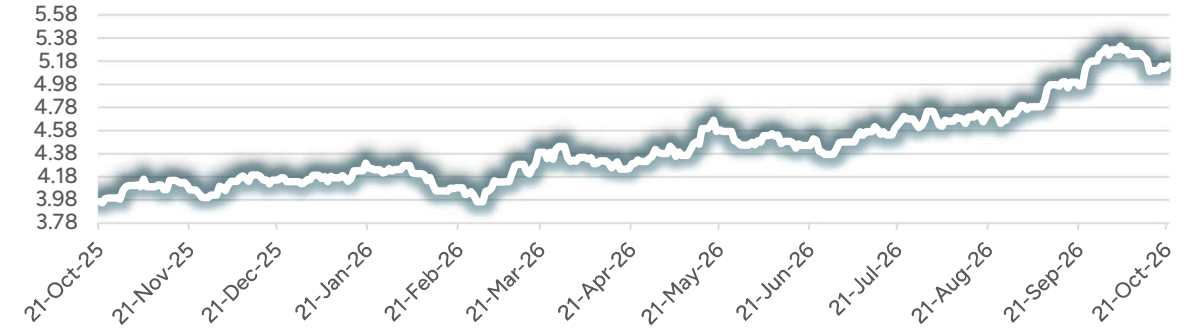
ISTANBUL, Oct 21 (Reuters) - Business confidence among Turkish manufacturers falls to 99.8 points in October compared to 102 points in September, central bank data showed on Wednesday. A score of 100 or more on the index denotes optimism while a number below the 100 mark designates pessimism.

Gold, US Treasury & Dollar Index

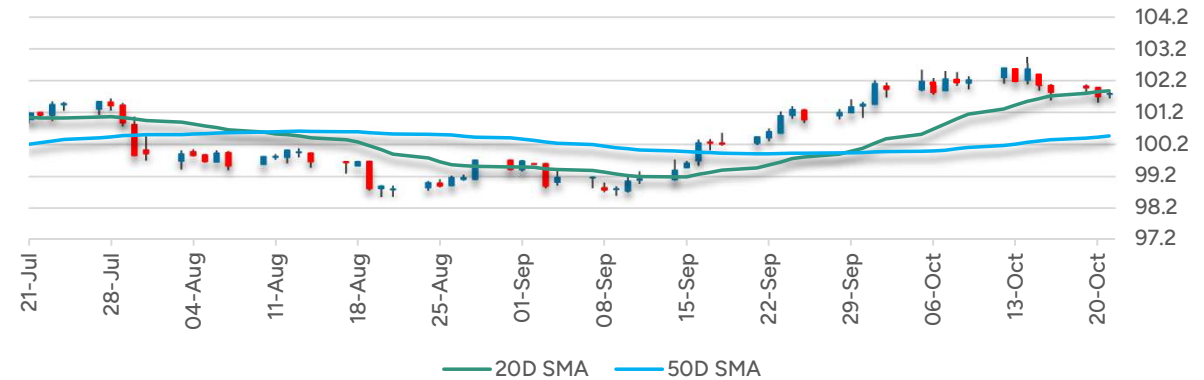
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

5.08

1M %chg

2.35%

3M %chg

9.16%

PRECIOUS-Gold drops over 1% as oil rally reinforces higher-for-longer rate outlook

22 Oct 2026 08:02:23 AM

Oct 22 (Reuters) - Gold fell more than 1% on Thursday as rising oil prices stoked inflation concerns and reinforced expectations that interest rates could stay higher for longer, while investors awaited next week's Federal Reserve meeting for clues on the policy outlook. Spot gold XAU= slid 1.1% to \$4,094.90 per ounce, hitting its lowest since October 14. US gold futures GCcv1 for December delivery dropped 0.9% to \$4,111.40. Traders see just a 16% chance of a rate hike at the Fed's October 27-28 policy meeting next week, but are pricing in a 90% likelihood of an increase in December, according to CME's FedWatch Tool. Markets await next week's Personal Consumption Expenditures (PCE) data, a key gauge closely watched by the central bank as it targets a 2% inflation rate. Among other metals, spot silver XAG= dropped 2.6% to \$56.44 per ounce, platinum XPT= slid 2.1% to \$1,594.25 and palladium XPD= fell 2.6% to \$1,059.05.

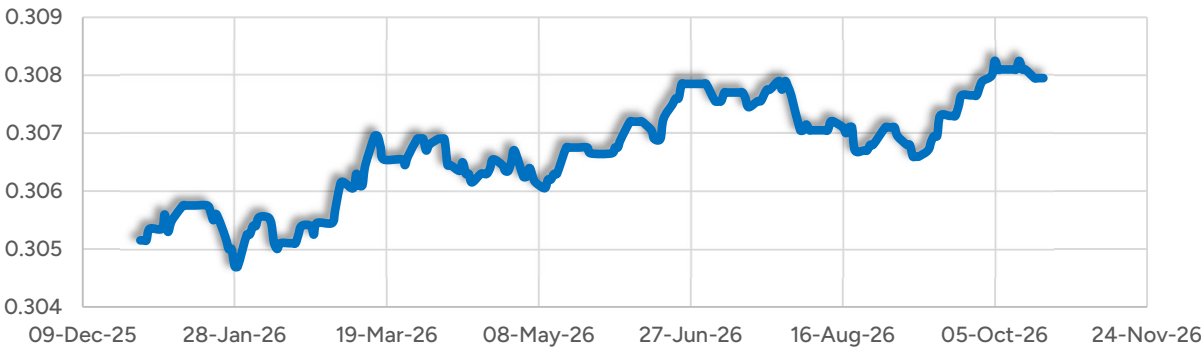
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
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	
S&P Global SVC PMI Flash SA	JP	23/Oct 03:30	Oct	51.3	
Chain Store Sales YY	JP	23/Oct 08:00	Sep	0.20%	
Retail Sales Ex-Fuel MM	GB	23/Oct 09:00	Sep	0.60%	-0.10%
Retail Sales MM	GB	23/Oct 09:00	Sep	0.50%	-0.10%

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1235	1.124	1.1211	1.1232	-0.04%
GBP	1.3378	1.3403	1.3361	1.3394	0.12%
JPY	158.15	158.39	157.82	158.13	-0.02%
TRY	0.0202	0.0202	0.0201	0.0202	0.00%
Dollar Idx	101.778	101.838	101.637	101.78	0.08%
Brent	109.27	111.32	107.68	108.82	0.03%
WTC	104.83	105	103.06	103.95	-3.65%
Gold	4124.07	4142.02	4104.33	4140.3789	0.39%
KWSE Index	8415.35	8424.71	8297.08	8330	-0.82%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.81	3M	3.63
SW	3.31	6M	3.81
1M	3.50	1Y	4.06

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30800

3M% CHG

0.06%

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	4.23
3M	4.07	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 pending home sales tumble to record low in September

WASHINGTON, Oct 20 (Reuters) - Contracts to purchase previously owned US homes plunged to a record low in September as rising mortgage rates depressed demand for housing. The pending home sales index tumbled 7.3% to 66.0 last month, the lowest level since the series started in 2001, the National Association of Realtors said on Tuesday. Economists polled by Reuters had forecast contracts, which become sales after a month or two, slipping 0.5%. Contracts fell in all four regions. Pending home sales dropped 11.3% year-on-year in September.

UK inflation and borrowing climb before Healey's first budget

LONDON, Oct 21 (Reuters) - British inflation and borrowing rose more than expected last month, according to data that will add to calls for help for households in finance minister John Healey's first budget next week and the likelihood of a Bank of England interest rate hike. Consumer price inflation rose to 3.5% after a 3.1% increase in August, the Office for National Statistics said. Economists polled had forecast a rise of 3.4% in the 12 months to September as the surge in energy prices caused by the Iran war gathered steam. The BoE had predicted a smaller rise to 3.0% in forecasts it published in July.

ECB says AI, greener economy help euro zone weather energy shock

FRANKFURT, Oct 21 (Reuters) - The euro zone economy has weathered this year's energy shock better than expected, with lower dependence on fossil fuels, stronger fiscal support and an AI investment boom helping sustain growth, European Central Bank economists said. The fiscal impulse, at 0.5% of GDP, was twice the size expected at the end of last year, mainly thanks to German government spending on defence and infrastructure. The findings come as the ECB debates more interest rate increases to stem an energy-led inflation surge, with third hike of the year expected in December.

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.

Japan funding conditions still loose despite interest rate hikes, survey shows

TOKYO, Oct 22 (Reuters) - Major Japanese lenders see increased demand for funds among corporate borrowers compared with three months ago, a survey showed on Thursday, indicating the central bank's recent interest rate hikes have yet to tighten financial conditions. A positive reading indicates more banks saw corporate fund demand increase compared with those that saw demand fall. The BOJ raised its policy interest rate to a 31-year high of 1.25% on September 18 and signalled a pivot towards a policy focusing on forestalling risk of inflation overshooting its 2% target.

Bank Indonesia keeps benchmark steady, cuts required reserves after stock market rout

JAKARTA, Oct 21 (Reuters) - Indonesia's central bank kept its benchmark policy rate unchanged on Wednesday, though it hiked its overnight deposit rate and cut its reserve requirement ratio in an effort to address market volatility and support job creation. BI kept its benchmark 7-day reverse repurchase rate at 5.75%, as expected by 15 of 29 economists in a Reuters poll. The rest expected a hike of at least 25 basis points (bps). It left its rate to lend overnight to banks IDCBIL=ECI unchanged at 6.50% and raised the overnight deposit facility rate IDCBID=ECI by 25 bps to 5%.

Oil climbs over \$1 on more Houthi attacks in Saudi Arabia

SINGAPORE, Oct 22 (Reuters) - Oil prices rose more than \$1 a barrel on Thursday after more Houthi attacks in Saudi Arabia stoked concerns over a broader escalation of conflict and further disruptions to supplies from the Middle East. Brent crude futures LCOc1 rose \$1.93, or 1.77%, to \$110.75 a barrel, while US West Texas Intermediate crude CLc1 gained \$1.43, or 1.47%, to \$98.58. Brent had settled largely unchanged on Wednesday, while WTI had eased 67 cents. The US State Department plans to withdraw family members from a number of other US missions in the region, US officials told Reuters.