

Market Commentary

KFH Treasury

Report produced on
25-Oct-2026



Forex Market

 JAPANESE YEN



CLOSE

156.86

1M %chg

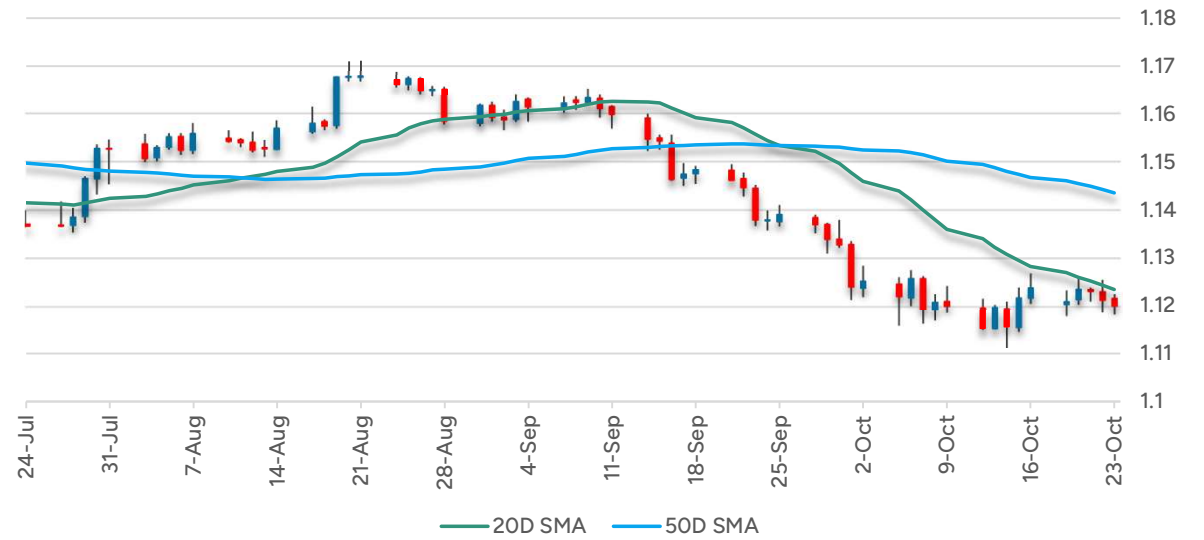
-0.25%

3M %chg

-4.26%

COMMENT-Yen bull run meets resistance as haven appeal grows
23 Oct 2026 06:43:02 PM
The yen's bullish trend remains intact, but the path higher may not be smooth. The repatriation story appears to be gaining momentum. Weekly MOF data suggest both domestic and foreign investors are underpinning the JGB market. The 20-year JGB yield has retreated from near 4% to 3.61% over the last two weeks, reflecting heavy buying pressure and flattening the Japan's yield curve ahead the BOJ meeting next week. At the same time, the currency appears to be regaining some of its traditional haven appeal as weakness in US AI-related equities and gold raises questions about broader risk sentiment and the global growth outlook. However, the yen's advance is encountering some resistance. Friday's surge in USD/JPY trading volume as spot approached 156.00 likely prevented a deeper decline.

 EURO



CLOSE

1.1202

1M %chg

-1.66%

3M %chg

-1.45%

COMMENT-EUR/USD set for 1.10 if ECB fails French test
23 Oct 2026 12:33:58 PM
EUR/USD could drop towards 1.10 if the European Central Bank fails its French test next Thursday. October 29 will be the ECB's first monetary policy meeting since government borrowing costs surged in France, the euro zone's second-largest economy, to the detriment of the euro. The single currency might elicit a short-term boost if the ECB unexpectedly hints it could intervene to prevent the 10-year French government bond spread over Germany widening beyond a certain level, such as 200 basis points. However, any such guidance could lead to long-term losses for the euro on the risk that it might encourage other euro zone nations to pursue less rigorous fiscal policy than they otherwise might.

Forex Market

POUND STERLING



CLOSE
1.3372

1M %chg
0.91%

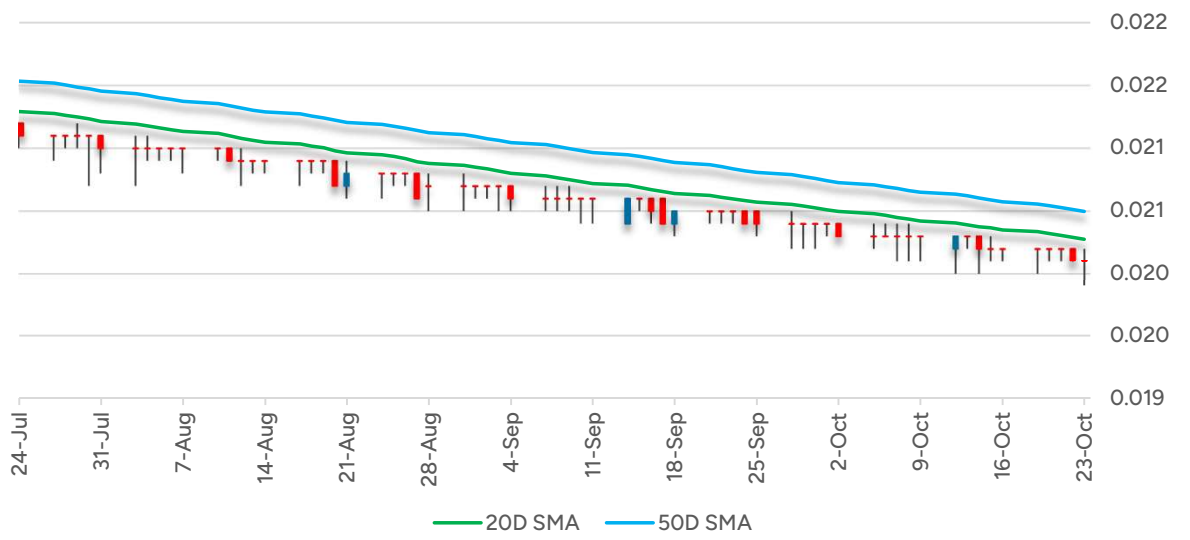
3M %chg
0.40%

Sterling's rise stalls above 1.34 as bears await UK Autumn Budget clues

23 Oct 2026 09:46:40 PM

- * GBP\$ under pressure in NY afternoon, -0.29% at 1.3363; NorAm range 1.3388-1.3362
- * NY range slight; pair moved steadily lower as traders curate positions pre-UK budget
- * Despite Friday's dip, pair remains near trend highs just above 1.34
- * Hawkish BoE vibe aids GBP rise, Autumn Budget Oct 28 exp'd to be fiscally sound
- * Persistent inflation, rising oil may hinder UK recovery, add to UK fiscal concerns
- * BoE seen on more hawkish path than Fed, hiking faster and higher in 2026,2027
- * GBP\$ supt 1.3355 Thurs low, 1.3311 rising 10-DMA, 1.3278 50% of 1.3137-1.3418
- * Res 1.3403 Friday high, 1.3418 daily high Oct 22, 1.3433 flat 200-DMA

TURKISH LIRA



CLOSE
0.0201

1M %chg
-1.47%

3M %chg
-4.74%

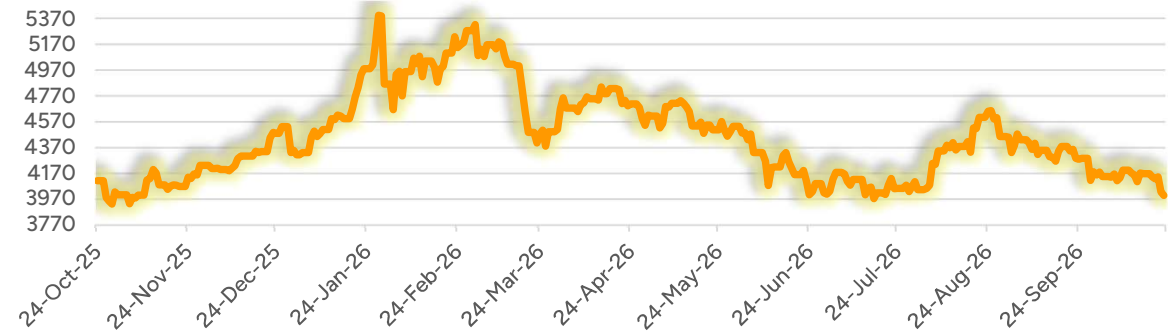
Turkey central bank cuts key interest rate to 36%

22 Oct 2026 03:19:12 PM

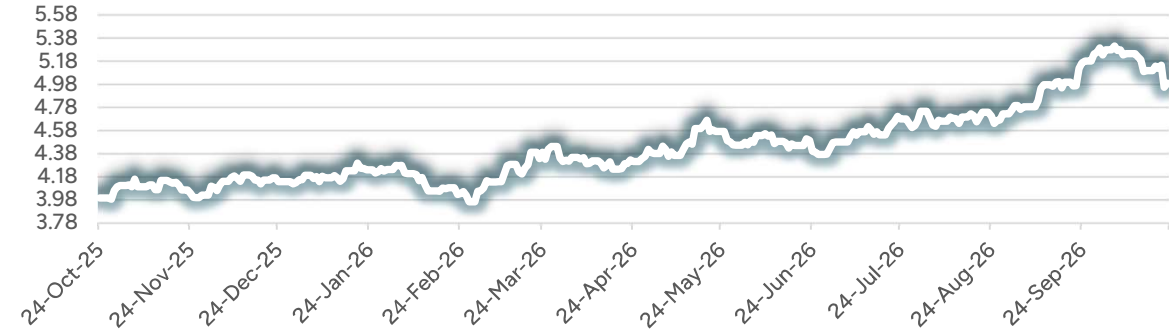
ISTANBUL, Oct 22 (Reuters) - Turkey's central bank lowered its key interest rate by 100 basis points to 36% on Thursday, in line with expectations, having left it unchanged at the previous five meetings as it monitored the inflation impact of the Iran war. In a Reuters poll, 22 economists forecast a rate cut and only two predicted no change to borrowing costs. Economists also expect another 100 bp rate cut from the central bank in its December meeting bringing the year end policy rate to 35%. Since the Iran war started at the end of February, Turkey's central bank has kept its policy rate at 37%. The central bank has taken other liquidity steps that pushed the lira overnight rate up to the 40% limit until August to curb the impact of the war on the economy.

Gold, US Treasury & Dollar Index

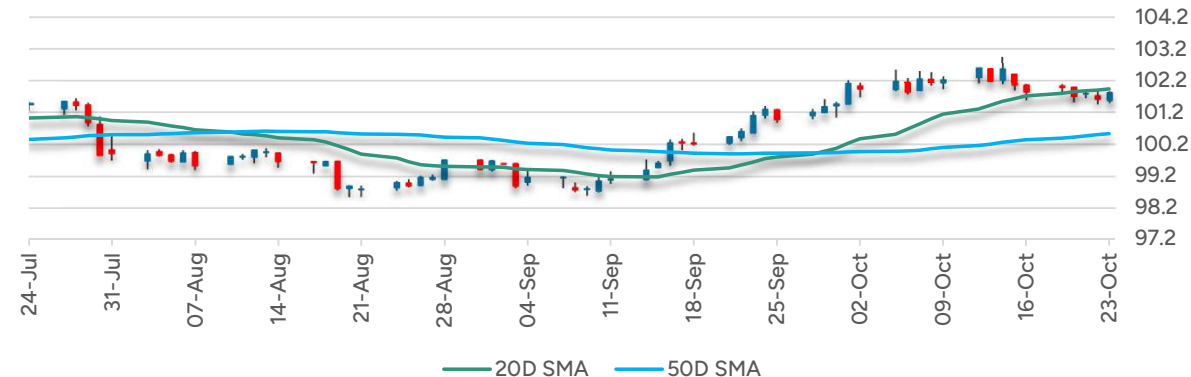
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

5.00

1M %chg

-3.73%

3M %chg

6.60%

PRECIOUS-Gold set for steep weekly loss as rising oil prices bolster Fed rate hike bets

23 Oct 2026 10:23:00 PM
Oct 23 (Reuters) - Gold fell to a three-month low on Friday and was headed for its steepest weekly decline in over four months as higher energy prices fueled inflation concerns and reinforced US rate hike expectations ahead of next week's Federal Reserve meeting. Spot gold fell 0.6% to \$3,998.35 an ounce slipping below the \$4,000 mark for the first time since mid-July and touching a session low of \$3,975.23. Bullion has fallen 4% this week, putting it on track for its worst week since June. US gold futures for December delivery settled 1.3% lower at \$4,007.90 per ounce. Meanwhile, traders largely expect the Fed to leave interest rates unchanged at its October 27-28 meeting, although stronger-than-expected US consumer and producer inflation data released last week bolstered the case for tighter monetary policy later this year. They see a 92% chance of the Fed leaving rates unchanged next week and a 78% probability of a December hike, according to CME's FedWatch Tool.

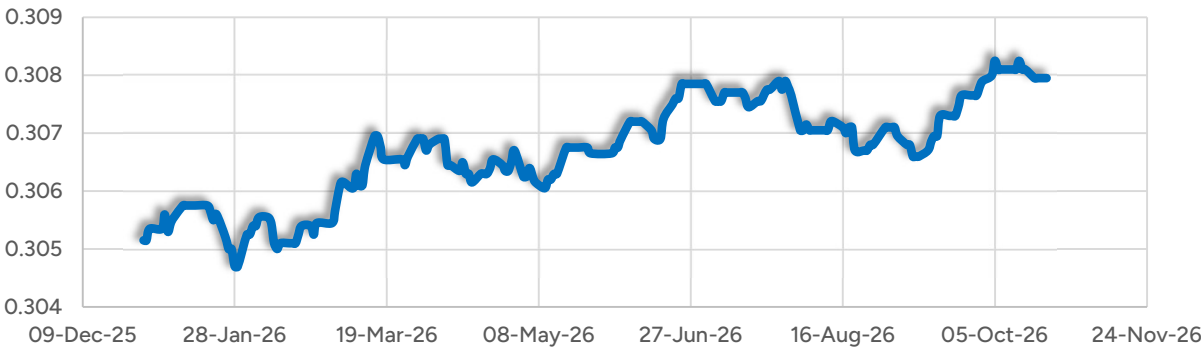
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Service PPI	JP	27/Oct 02:50	Sep	3.70%	
Durable Goods	US	27/Oct 15:30	Sep	-0.10%	1.50%
Consumer Confidence	US	27/Oct 17:00	Oct	81.9	81
New Home Sales-Units	US	27/Oct 17:00	Sep	0.684Mn	0.65Mn
Fed Funds Tgt Rate	US	28/Oct 21:00	Oct	3.88%	3.88%
Fed Int On Excess Reserves	US	28/Oct 21:00	Oct	3.90%	
Consumer Confid. Final	EU	29/Oct 13:00	Oct	-17.9	-17.9
Consumption, Adjusted MM	US	29/Oct 15:30	Sep	0.90%	0.50%
Core PCE Price Index MM	US	29/Oct 15:30	Sep	0.20%	0.30%
Core PCE Price Index YY	US	29/Oct 15:30	Sep	3.00%	3.10%
GDP Advance	US	29/Oct 15:30	Q3 2026	2.20%	3.20%

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1217	1.1226	1.1183	1.1202	-0.11%
GBP	1.3399	1.3407	1.3357	1.3372	-0.20%
JPY	156.76	157.15	156.06	156.86	0.06%
TRY	0.0201	0.0202	0.0199	0.0201	0.00%
Dollar Idx	101.568	101.853	101.489	101.81	0.20%
Brent	113.15	117.45	112.74	116.72	3.14%
WTC	107.85	109.89	107.4	109.72	5.23%
Gold	4024.18	4033.77	3975.2289	3995.52	-0.71%
KWSE Index	8325.63	8327.42	8203.24	8290.81	-0.47%

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

0.06%

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	3.92	6M	4.18
3M	4.05	1Y	4.43

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	23/Oct/'26	39.00	40.00	-1.00

KEY INTERNATIONAL STORIES

US weekly jobless claims near 57-year lows, underscore labor market stability

WASHINGTON, Oct 22 (Reuters) - The number of Americans filing new claims for unemployment benefits dropped to near 57-year lows last week amid low layoffs, suggesting a modest pickup in job growth in October after September's underwhelming performance. The weekly jobless claims report from the Labor Department on Thursday, the most timely data on the economy's health, continued to show no material stress in the labor market from the oil price shock stemming from the US-Israeli war with Iran.

UK median full-time salary shows smallest increase since 2021

LONDON, Oct 22 (Reuters) - The median full-time annual pre-tax salary in Britain rose by the least since 2021 over the 12 months to April, increasing by 4.5% to £40,911 (\$54,841), down from a 4.6% increase the year before, according to the country's largest official pay survey. Thursday's data from the Office for National Statistics' Annual Survey of Hours and Earnings (ASHE) showed weekly earnings in April were 4.9% higher than a year earlier, above the 4.7% rise previously reported in the ONS' regular smaller-scale monthly survey.

Germany's higher tax revenue estimates will not offer more fiscal leeway, minister says

BERLIN, Oct 22 (Reuters) - New German tax estimates presented on Thursday will not offer additional fiscal leeway, even though the government can expect slightly higher tax revenue in the coming years than previously anticipated, the finance minister said. Germany's council of tax experts expects €43.4 billion (\$48.6 billion) more in tax revenue from 2026 to 2030 than forecast in May, the updated projections showed. Only €3.3 billion of that total will go to the federal government over the five-year period, the ministry said.

Japan manufacturing growth slows to 7-month low in October, PMI shows

TOKYO, Oct 23 (Reuters) - Japan's manufacturing sector expanded at its slowest pace in seven months in October as output and new order growth eased, a business survey showed on Friday. The flash S&P Global Japan Manufacturing Purchasing Managers' Index (PMI) fell to 53.3 in October from 54.1 in September. A reading above 50.0 indicates expansion in activity, while below that level signals contraction. Service activity edged higher in October. The flash S&P Global Japan Services PMI Business Activity Index rose to 52.0 from 51.3.

Brazil September tax revenue hits record for month, extending 2026 streak

BRASILIA, Oct 22 (Reuters) - Brazil's tax revenue rose 5.62% in September from a year earlier in inflation-adjusted terms, to 239.384 billion reais (\$47.53 billion), official data showed on Thursday. The result was the strongest ever recorded for the month of September and extended a run of record-high readings for their respective months throughout this year. Year-to-date tax revenue totaled 2.351 trillion reais, up 6.97% in real terms from the same period a year ago, according to the tax revenue service.

Oil prices jump \$3 on Houthi attacks, oil spill, highest settlement since April

NEW YORK, Oct 23 (Reuters) - Oil prices settled more than \$3 higher on Friday, their highest in nearly six months after Houthi attacks in Saudi Arabia stoked concerns over further disruption to energy supplies from the Middle East, where UAE authorities also reported an oil spill. Brent crude futures settled at \$116.72 a barrel. US West Texas Intermediate crude closed at \$103.27 a barrel. The US Department of Energy said it had authorized an emergency exchange of up to 400,000 barrels of crude oil from the Strategic Petroleum Reserve.

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