

Market Commentary

KFH Treasury

Report produced on
26-Oct-2026



Forex Market

JAPANESE YEN



CLOSE

156.86

1M %chg

-0.25%

3M %chg

-4.26%

JPY pairs attempt push higher early but rejected

26 Oct 2026 07:54:47 AM

- * USD/JPY and JPY crosses attempt tries higher early but rejected
- * Japanese exporters, some investors helping to cap upsides in all pairs
- * USD/JPY to 157.22 before falling back to 156.66 EBS
- * Support at 156.08, base of 156.07-158.44 daily Ichimoku cloud, 156.00
- * Breaks below these support levels bearish, will put 155.00 in spec sights
- * Some daily lows ahead - 155.88 on September 18, 155.34 September 17
- * Spot currently holding around base of 156.75-157.22 hourly Ichimoku cloud
- * Talk of possible option barriers at 155.00 strike, 154.90 low September 16
- * Vanilla expiries today 156.75-157.00 \$1.3 bln, 157.75-158.00 \$3.7 bln

EURO



CLOSE

1.1202

1M %chg

-1.66%

3M %chg

-1.45%

EUR pairs mostly in stasis in Asia, some position adjusting

26 Oct 2026 07:20:30 AM

- * EUR/USD steady in Asia, 1.1199-1.1235 EBS, in recent 1.1182-1.1269 range
- * Sideways trade likely with France calmer, OAT yields having steadied
- * Spot still pivoting around 1.1219-21 still thin hourly Ichimoku cloud
- * Cloud top to ease some, base lower ahead, 200-HMA 1.1214 below cloud
- * EUR/JPY 175.85-176.36 EBS, down after early try up, above 175.19 low Friday
- * Heavy after try into 176.11-54 descending hourly Ichimoku cloud

Forex Market



POUND STERLING



CLOSE

1.3372

1M %chg

0.91%

3M %chg

0.40%

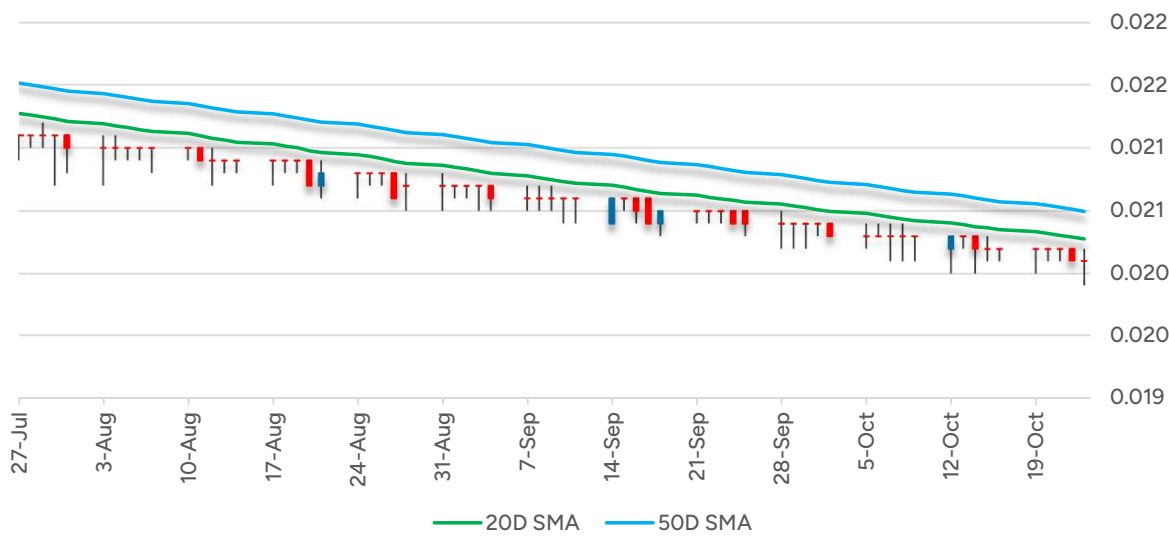
COMMENT-Sterling pauses by trend high ahead of UK budget, Fed next week

23 Oct 2026 06:34:48 PM

Despite Friday's modest pullback in GBP/USD, sterling's recent out performance against the dollar appears likely to extend toward fresh highs above 1.3400. The potential for upward movement is bolstered by a sizable speculative short position on sterling, which appears ripe for unwinding given current BoE policy expectations. Key events to watch include the upcoming UK budget and the Fed's rate decision on October 28, followed by the BoE's rate decision on November 5. A more hawkish Fed, a dovish BoE, or a profligate UK budget would temper the current bullish sentiment for GBP/USD.



TURKISH LIRA



CLOSE

0.0201

1M %chg

-1.47%

3M %chg

-4.74%

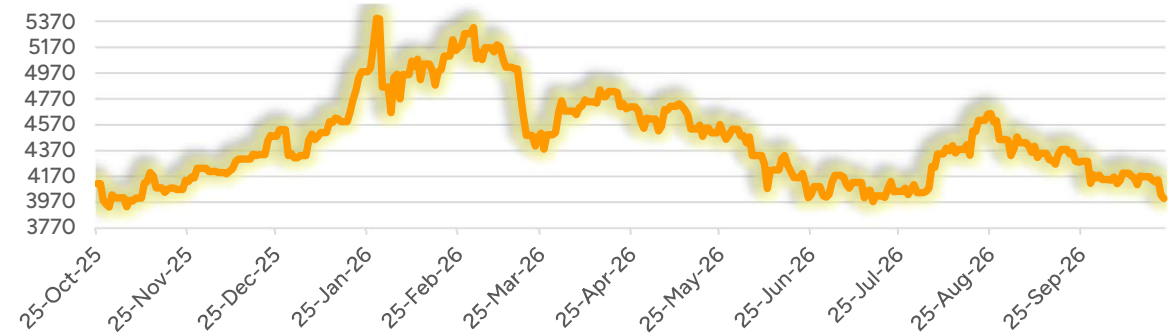
Turkey's policy shift on track despite slower disinflation, election test awaits, S&P says

23 Oct 2026 01:35:00 PM

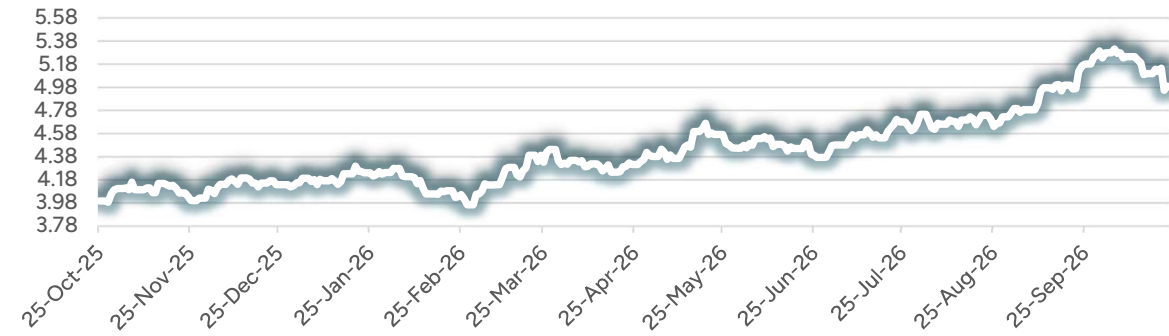
ISTANBUL, Oct 23 (Reuters) - Turkey's tight monetary stance and shift away from unorthodox economic policies underpin its sovereign rating, but slower disinflation and the run-up to elections will test the central bank's commitment to maintaining discipline, S&P Global says. Karen Vartapetov, S&P Global's director and sovereign lead analyst for Central and Eastern Europe and Turkey, said the country's current BB- sovereign rating with a stable outlook reflects significant progress since 2023, when Ankara began reversing years of ultra-loose monetary policy that was aimed at boosting growth despite surging inflation. However, he said it was unclear how sustainable the current tight monetary and macroeconomic policy stance would prove as elections approach.

Gold, US Treasury & Dollar Index

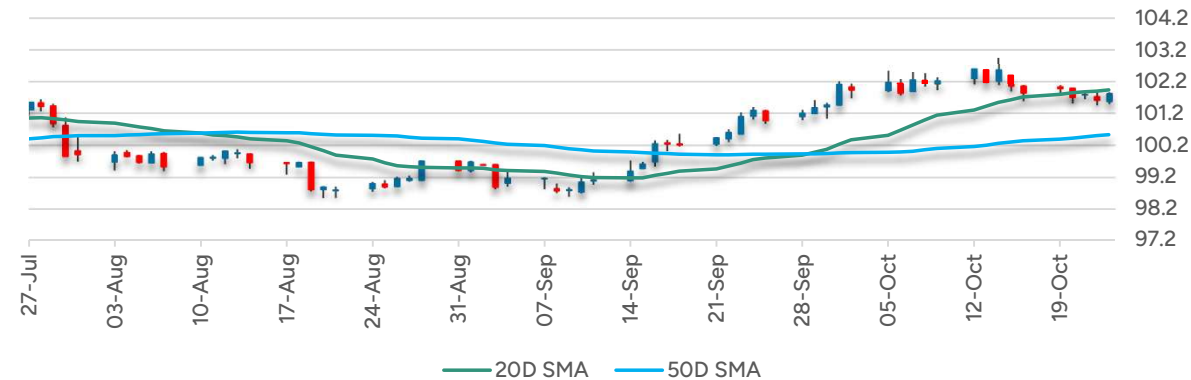
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.97

1M %chg

-4.16%

3M %chg

6.12%

PRECIOUS-Gold gains on softer oil prices; Fed decision in focus

26 Oct 2026 08:07:47 AM

Oct 26 (Reuters) - Gold prices edged higher on Monday as softer oil prices tempered inflation concerns, while investors awaited the Federal Reserve's policy decision later this week. Spot gold XAU= rose 0.4% to \$4,009.87 per ounce, after hitting its lowest level since mid-July in the previous session. Bullion posted a 4% weekly fall on Friday, its steepest weekly decline since June. US gold futures GCv1 for December delivery gained 0.4% to \$4,023.50. "Gold will continue to trade as a function of interest rate expectations and geopolitical risks." The US Personal Consumption Expenditures (PCE) data, a key gauge closely watched by the central bank as it targets a 2% inflation rate, is due the next day. Although gold is typically seen as an inflation hedge, higher interest rates tend to diminish non-yielding bullion's appeal to investors. Among other metals, spot silver XAG= rose 0.6% to \$54.19 per ounce, platinum XPT= steadied at \$1,551.31 and palladium XPD= gained 0.6% to \$1,050.50.

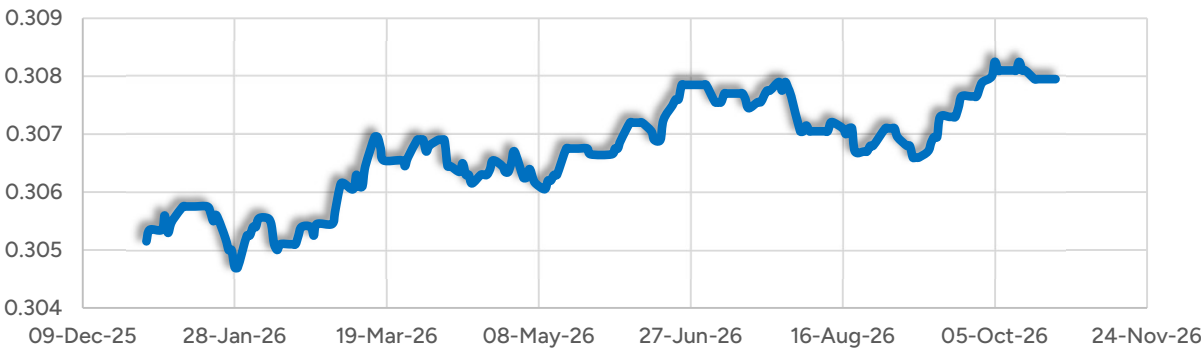
UPCOMING KEY ECONOMIC INDICATOR RELEASES

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	8295.15	8356.55	8294.95	8329.42	0.47%

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

0.30800

3M% CHG

0.02%

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 business activity cools in October; strong demand fueling price pressures

WASHINGTON, Oct 23 (Reuters) - US business activity slowed modestly in October, though robust demand allowed companies to raise prices for goods and services, a sign that inflation could increase further and remain persistently high in the coming months. S&P Global said on Friday its flash US Composite PMI Output Index, which tracks the manufacturing and services sectors, slipped to 57.6 this month from a five-year high reading of 58.4 in September. A reading above 50 indicates expansion in private sector. Strength in manufacturing was offset by a slight pullback in vast services sector.

UK retail sales fall as consumer confidence tumbles

LONDON, Oct 23 (Reuters) - British consumers reined in their shopping in September as a warm start to the autumn hurt clothing sales and higher fuel prices ate into household budgets, while separate data showed confidence levels plunged in October. Retail sales volumes dropped by 0.4% in September from August, a bigger decline than a fall of 0.1% expected by most economists in a Reuters poll. The ONS said fuel sales volumes in September rose by 2.2% from August when drivers filled up their tanks only partially in response to the jump in fuel prices caused by the Iran war.

German business activity growth softens in October, PMI shows

BERLIN, Oct 23 (Reuters) - Germany's private sector growth softened in October as inflows of new work rose only modestly, a preliminary business survey showed on Friday. The S&P Global Flash Composite PMI Index for Germany fell to 52.8 in October from 53.8 in September, but remained in growth territory for the fourth consecutive month. Economists polled by Reuters had forecast a reading of 53.3. Factory production continued to rise at a robust pace, with the manufacturing PMI rising to a two-month high of 54.2 from 53.9 in September.

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Japan's core inflation exceeds BOJ target, cements near-term rate hike chance

TOKYO, Oct 23 (Reuters) - Japan's core consumer inflation exceeded the central bank's 2% target in September for the first time in nine months, data showed on Friday, a sign of broadening price pressure that cements the case for a near-term interest rate hike. The core consumer price index, which excludes volatile fresh food but includes fuel costs, rose 2.1% in September from a year earlier, data showed, matching a median market forecast and accelerating from a 1.7% rise in August. In a sign of broadening inflationary pressure, goods prices rose 2.8% year-on-year in September, accelerating from a 2.6% gain in August, the data showed.

Brazil's central bank increases banks' disclosure obligations in offering credit

SAO PAULO, Oct 23 (Reuters) - Brazil's central bank announced on Friday a series of measures to strengthen the disclosure of financial institutions in offering and granting credit, in a move that comes amid growing concern among policymakers over household debt levels in the country. The measures aim to provide consumers with more protection and information about credit offers, while reducing cases that may contribute to excessive indebtedness, it said in a statement. The central bank will require banks to provide clients with mechanisms to block advertising and proactive credit offers.

Oil slips from near six-months highs despite supply concerns

BEIJING, Oct 26 (Reuters) - Oil prices fell on Monday after surging to near six-month highs late last week, although ongoing attacks on Saudi Arabia kept supply concerns in focus. US crude futures CLc1 were down \$2.14, or 2.07%, at \$101.13 per barrel. Brent crude futures LCOc1 were down \$2.12, or 1.82%, at \$114.60. Prices had settled nearly \$3 higher on Friday after Houthi attacks in Saudi Arabia stoked energy supply concerns. Saudi Arabia will start storing crude oil in Singapore from the second half of 2027, to shore up the resilience of its supply chain in the region, energy ministers from both countries said on Monday.