

Market Commentary

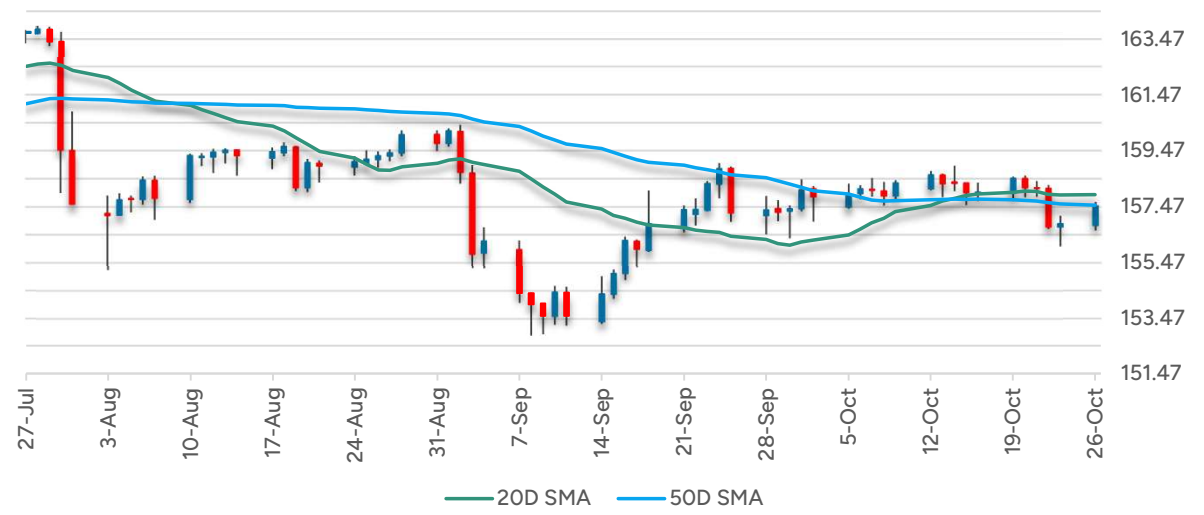
KFH Treasury

Report produced on
27-Oct-2026



Forex Market

JAPANESE YEN



CLOSE

157.50

1M %chg

0.15%

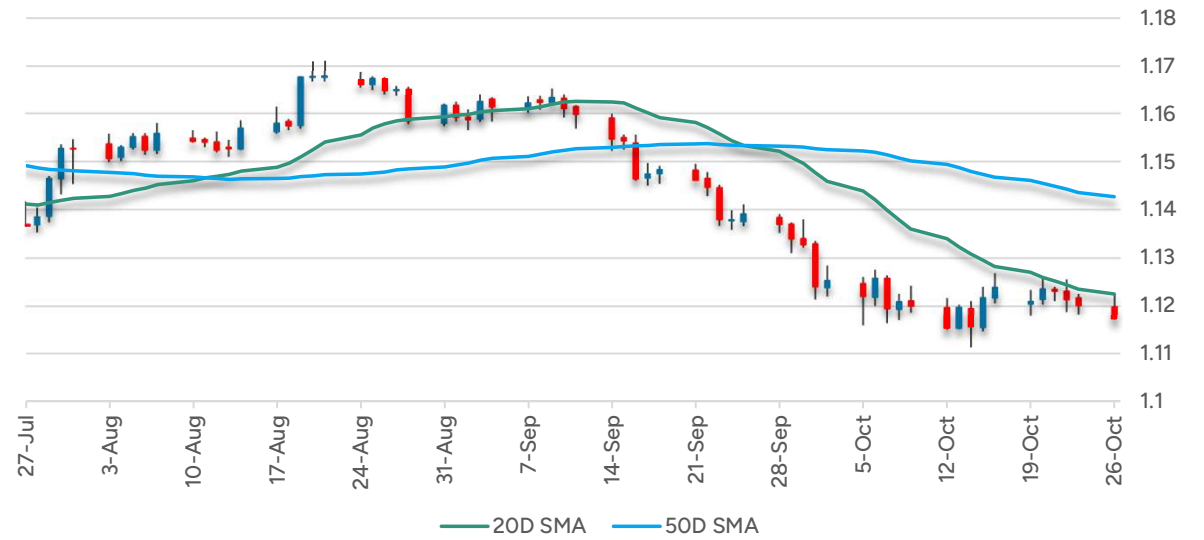
3M %chg

-3.81%

USD/JPY, JPY crosses hold own, importer Tokyo fix demand
27 Oct 2026 07:29:46 AM

- * USD/JPY and JPY crosses better bid early Asia on Japan importer fix demand
- * Some easing after demand sated but stock market flows seen supportive
- * USD/JPY 157.44-78 EBS, in middle of 156.14-158.44 daily Ichimoku cloud
- * Market heavy above descending 200-HMA at 157.71, 100-HMA 157.32 below
- * Massive \$3.2 bln option expiries today between 157.75-85 help cap spot
- * Also 158.00 \$1.5 bln just above, below 157.50 \$884 mln, 157.00 \$1 bln

EURO



CLOSE

1.1172

1M %chg

-1.92%

3M %chg

-1.72%

EUR pairs trade mostly heavy in quiet Asia trading
27 Oct 2026 06:58:25 AM

- * EUR/USD heavy, 1.1163-71 EBS after push down to 1.1174 overnight
- * Moving towards 1.1153 low October 15, 1.1113 spike low and trough Oct 14
- * Low on October 14 lowest since May 2025, trough then 1.1065 on May 12
- * French OATs look to have steadied but concerns still, USD bid across board
- * Large option expiries mostly to the upside today, at 1.1175 E1 bln
- * Also between 1.1200-10 E1.1 bln, 1.1225/50 E1.5 bln, 1.1300-55 E1.5 bln

Forex Market



POUND STERLING



CLOSE

1.3339

1M %chg

0.66%

3M %chg

0.39%

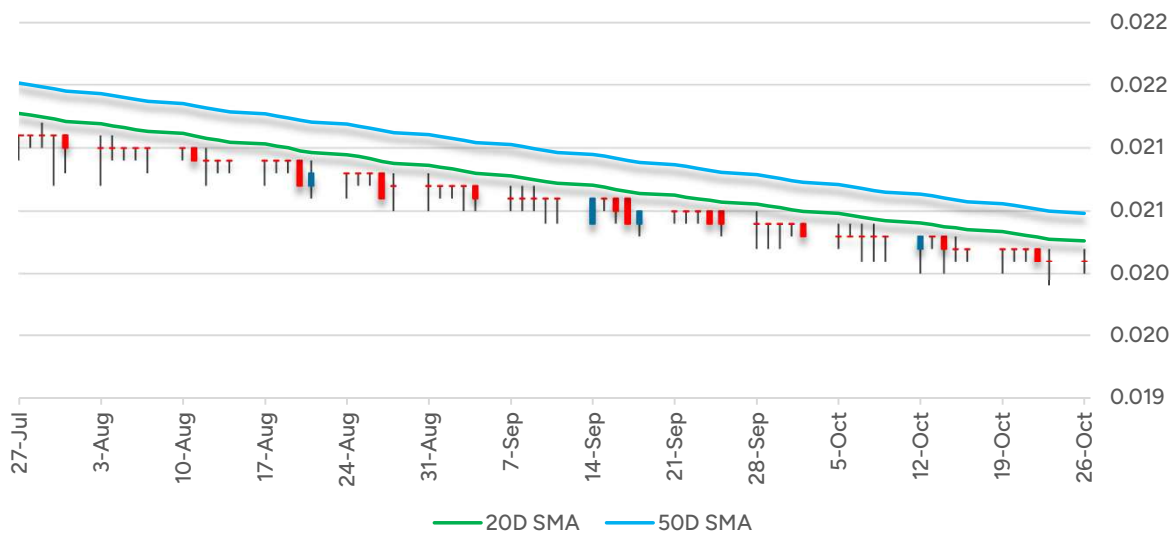
GBP/USD-Subdued as upward momentum falters; UK budget Wed key

27 Oct 2026 06:41:15 AM

- * GBP/USD unchanged in Asia after closing 0.2% lower Mon on broad dollar rally
- * Inability to post gains despite positive risk sentiment, lower oil weighs
- * Repeated failures at 55-day MA, currently at 1.3408, leads to momentum loss
- * Caution ahead of UK budget & Fed rate decision on Wed likely to cap rallies
- * Mindful of the markets, UK's Healey is set to deliver a careful budget
- * Britain's minimum wage to rise nearly 4%, Times reports
- * UK retail body warns 'dam is starting to break' on price rises



TURKISH LIRA



CLOSE

0.0201

1M %chg

-1.47%

3M %chg

-4.74%

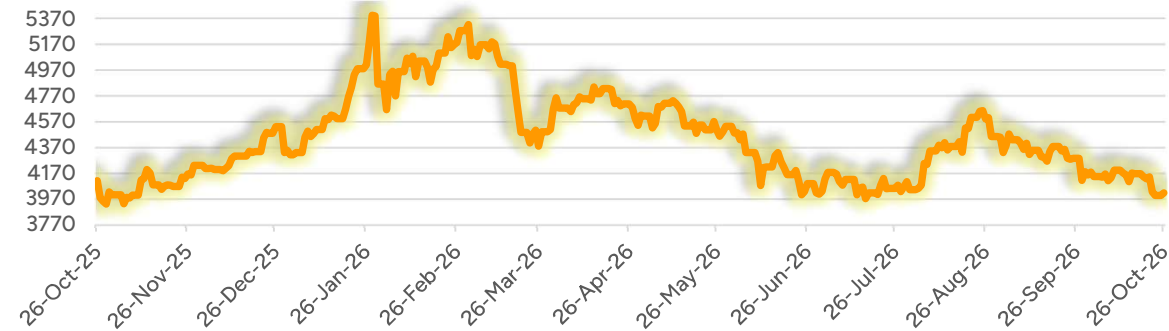
Turkey - Factors to Watch

27 Oct 2026 08:09:50 AM

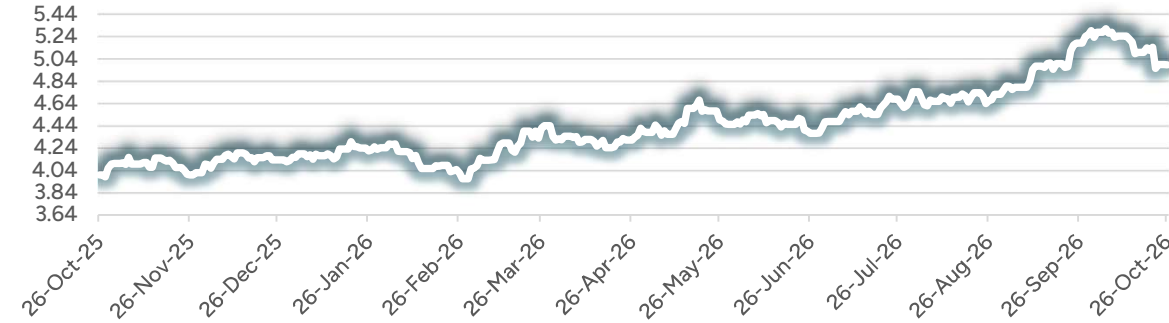
ISTANBUL, Oct 27 (Reuters) - The lira was quoted at 49.7850-49.7875 against the U.S. dollar, after closing at 49.7625 on Monday. The BIST 100 index closed 0.31% higher at 11,151.96 points on Monday.

Gold, US Treasury & Dollar Index

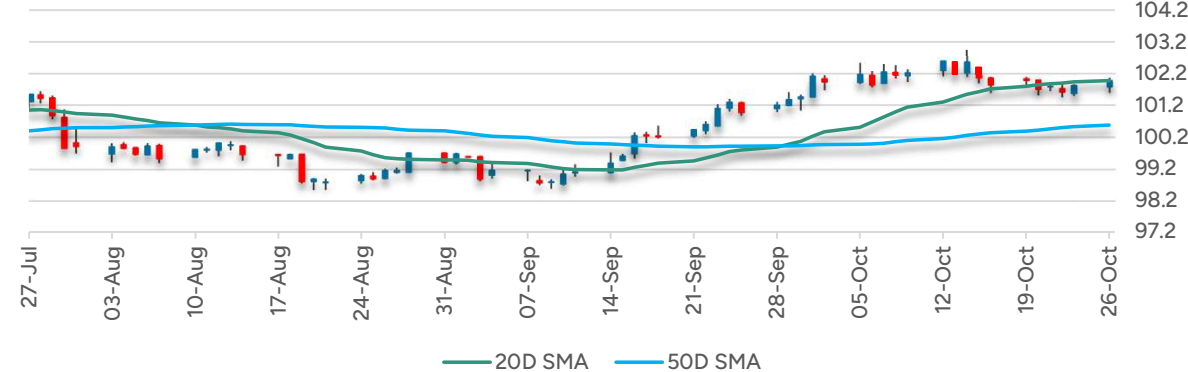
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.99

1M %chg

-3.68%

3M %chg

7.53%

PRECIOUS-Gold eases on firmer dollar ahead of Fed decision

27 Oct 2026 07:48:25 AM

Oct 27 (Reuters) - Gold slipped on Tuesday, weighed down by a firmer US dollar, while investors looked ahead to the Federal Reserve's policy meeting for fresh guidance on the outlook for interest rates. Spot gold XAU=eased 0.2% to \$4,007.29 per ounce by, while US gold futures GCcv1 for December delivery dropped 0.5% to \$4,019.70. Federal Reserve policymakers have telegraphed they will not raise US short-term borrowing costs again this week, but with inflation concerns still front and center, investors doubt a pause will last for long. Markets await the Fed's policy decision on Wednesday along with the Personal Consumption Expenditures data on Thursday, the central bank's preferred gauge as it targets a 2% inflation rate. Traders are pricing in about an 11% chance of a rate hike this week and an 82% chance of a December increase, according to the CME's FedWatch Tool. Spot silver XAG= slid 0.7% to \$53.53 per ounce, platinum XPT= lost 0.8% to \$1,514.16 and palladium XPD= dropped 1.5% to \$1,034.75.

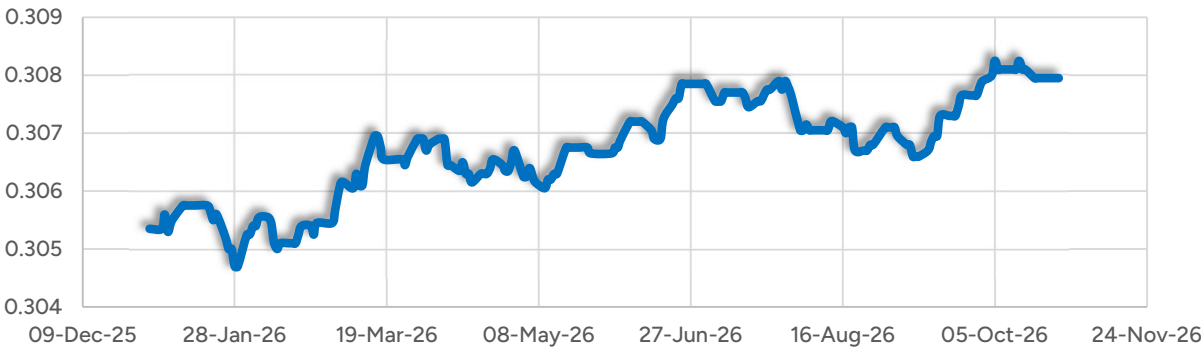
UPCOMING KEY ECONOMIC INDICATOR RELEASES

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%	1.70%
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
FOMC Decision 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%	0.60%
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	1.1199	1.1226	1.1172	1.1172	-0.27%
GBP	1.3371	1.3387	1.3324	1.3339	-0.25%
JPY	156.81	157.64	156.63	157.5	0.41%
TRY	0.0201	0.0202	0.02	0.0201	0.00%
Dollar Idx	101.777	102.056	101.582	101.959	0.15%
Brent	115.88	117.44	114	115.81	-0.78%
WTC	104.54	106.63	103.83	105.25	-4.07%
Gold	3996.39	4029.5	3977.75	4016.3084	0.52%
KWSE Index	8340.81	8494.34	8339.3	8492.8	1.96%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.88	3M	3.63
SW	3.31	6M	3.88
1M	3.50	1Y	4.13

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 growth boosted by AI, but no sign of a turning point higher

WASHINGTON, Oct 26 (Reuters) - In his 2025 inaugural address, President Donald Trump said his return to the White House heralded the start of a new golden age for the US, especially for the economy. The US economy may indeed be undergoing profound change, though it is unclear how much of the transformation stems from Trump's policies and how much from the rapid development of artificial intelligence technologies whose impact on jobs, prices and output remains to be seen. But now, business investment has been a major prop to GDP growth that would otherwise seem laggard.

UK retail body warns 'dam is starting to break' on price rises

LONDON, Oct 27 (Reuters) - Britain's main retail trade body warned on Tuesday that shops are now increasingly unable to absorb the impact of rising costs, after its data showed prices increased at the fastest pace in two-and-a-half years this month. The British Retail Consortium said shop prices in October were 2.1% higher than a year ago, the biggest increase since February 2024 and up from a 1.4% annual increase in September. Official consumer price inflation, which covers a wider range of goods and services, rose to an 11-month high of 3.5% in September from 3.1% in August.

Euro zone firms find it harder to get credit, ECB survey shows

FRANKFURT, Oct 26 (Reuters) - Euro zone firms are having a harder time getting credit from their banks just as their finances are squeezed by more expensive fuel and higher costs, a European Central Bank survey showed on Monday. The ECB has been gradually raising interest rates to stem an energy-driven rise in inflation, though it is expected to stay put this week to garner more evidence on how higher borrowing costs, including on the bond market, are affecting the economy. Firms said they needed more credit lines just as these were becoming harder to get.

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China's industrial profit growth picks up amid two-speed economy

BEIJING, Oct 27 (Reuters) - China's industrial profits grew at a faster pace in September, though a deepening divergence across the economy continued to weigh on business earnings. Profits at industrial firms rose 14.4% from a year earlier last month, quickening from a 4.2 increase in August, data from the National Bureau of Statistics showed on Tuesday. Profits were up 15.5% in the first nine months, compared with a 15.7% increase in the January-August period. Industrial profit figures cover firms with yearly revenue of at least 20 million yuan (\$3.0 million) from main operations.

Thai September exports rise 24% on year, above forecast

BANGKOK, Oct 26 (Reuters) - Thailand's customs-cleared exports rose 24.0% in September from a year earlier, the commerce ministry said on Monday, higher than analysts expected. The September reading compared with a forecast rise of 17.85% in a Reuters poll and followed an increase of 24.3% in the previous month. In the January-September period, exports rose 19.6% year on year. Exports may rise 19% this year, the ministry said, up from 15% forecast last month. Exports next year were expected to rise 2% to 4%, Nantapong Chiralerspong, the head of the Commerce Ministry's Trade Policy and Strategy Office, told a news briefing.

Oil eases on Middle East diplomacy hopes, Saudi attacks keep supply worries alive

Oct 27 (Reuters) - Oil prices edged lower on Tuesday as the potential for a resolution in the US-Israeli war on Iran kept supply fears at bay, but Brent stayed close to six-month highs as attacks on Saudi Arabia lowered hopes of immediate stability in the region. Brent crude futures LCOc1 were down 66 cents, or 0.57%, at \$115.15 a barrel, while US West Texas Intermediate crude CLc1 was down 44 cents, or 0.43%, at \$101.32. Last week, Brent prices surged to more than \$117 a barrel, the highest level since April, after a wave of Iranian attacks on tankers around the strait. Brent prices touched \$117 on Monday as well.