

Market Commentary

KFH Treasury

Report produced on
28-Oct-2026



Forex Market

JAPANESE YEN



CLOSE

157.94

1M %chg

0.37%

3M %chg

-3.59%

USD/JPY from around 157.00 back to around 158.00 into FOMC

28 Oct 2026 04:30:07 AM

- * USD/JPY from around 157.00 back to @158.00 into FOMC, hawkish expectations
- * USD broadly bid on back of this view, also on Wall St gains, Anthropic IPO
- * USD/JPY 157.84-158.03 EBS so far in Asia, in 156.23-158.44 daily Ichi cloud
- * Base of cloud rising gradually, top sideways, to eventually fall off sharply
- * Move above hourly Ichi tenkan at 157.93 sustainable? Exporter offers 158.00+
- * Support from 157.73 hourly kijun, then 157.70 200-HMA, cloud/100-HMA below
- * Massive option expiries in area today, between 158.00-50 above \$3.8 bln
- * Below from 157.90 down to 157.00 total \$3.8 bln too
- * These option expiries likely to help contain spot into FOMC announcement

EURO



CLOSE

1.1122

1M %chg

-2.18%

3M %chg

-2.31%

EUR pairs remain heavy in lazy Asia trade ahead of FOMC

28 Oct 2026 07:25:44 AM

- * EUR/USD heavy, 1.1121-32 EBS in lazy Asia trade into tonight's FOMC decision
- * Holding for now above 1.1113 low October 14, lowest since 1.1065 May 12, '25
- * Some support eyed ahead at 1.1100, break targets May '25 lows, 1.1000
- * 1.1000 seen as a possible, large option barrier level, large stops below
- * In vanilla expiries today, 1.1050-1.1100 E1.2 bln, 1.1125-95 E3.9 bln
- * Also between 1.1200-80 total E7.0 bln, 1.1300-70 E5.4 bln, more to upside
- * Just looking at option expiries, risks more to the EUR/USD downside

Forex Market



 POUND STERLING



CLOSE1.3303

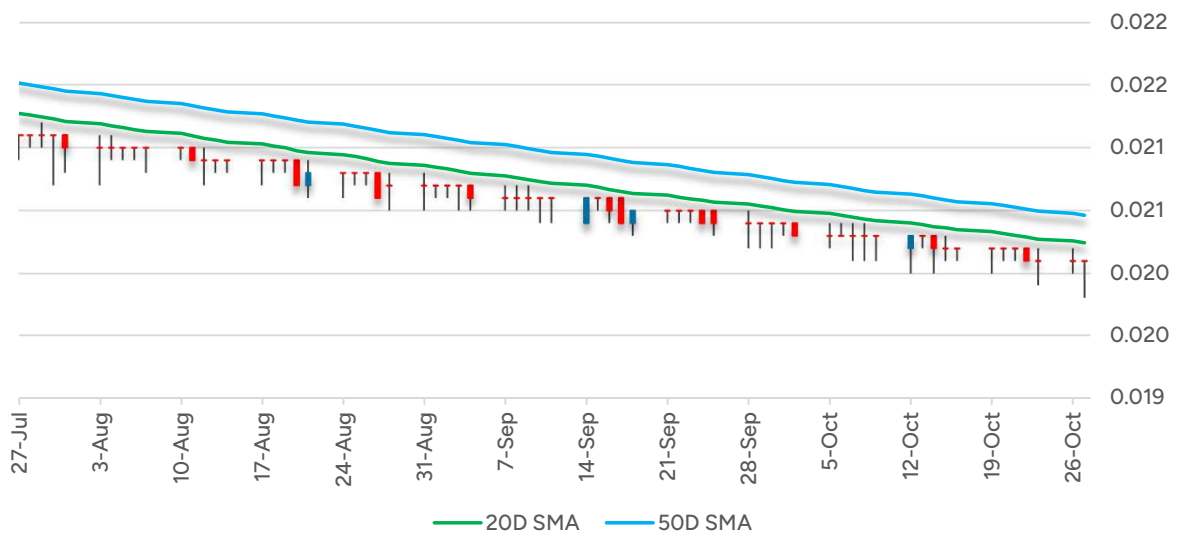
1M %chg0.38%

3M %chg0.14%

GBP/USD-Drifts towards support on UK budget day; Fed in focus
28 Oct 2026 06:36:44 AM

- * GBP/USD on the defensive in Asia after closing 0.25% lower on Tuesday
- * Undermined by broad dollar strength ahead of Wednesday's Fed rate decision
- * Healey seeks to steer UK through 'difficult moment' with low-key budget
- * How new UK finance minister's first budget could affect markets
- * Resistance 1.3345-50,1.3390-1.3400, support 1.3295-1.3300, 1.3277-82, 1.3245
- * Tuesday range 1.3304-1.3346, Asia 1.32985-1.3311

 TURKISH LIRA



CLOSE0.0201

1M %chg-1.47%

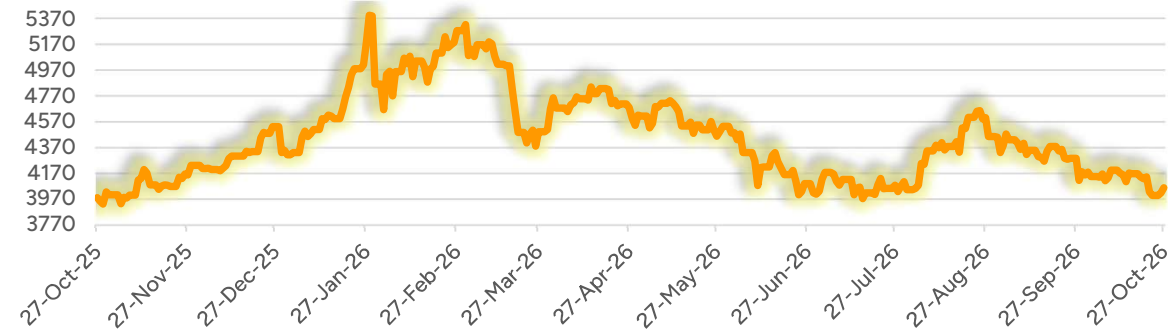
3M %chg-4.74%

Turkish unemployment rises to 8.4% in September
27 Oct 2026 11:38:55 AM

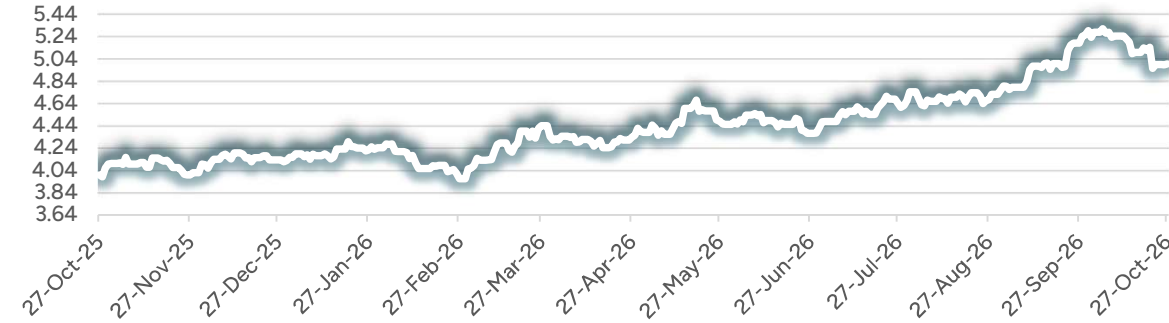
GDANSK, Oct 27 (Reuters) - Turkey's unemployment rate rose 0.5 percentage points month-on-month to 8.4% in September, official data showed on Tuesday. The Turkish Statistical Institute data showed the labour force participation rate increased 0.1 points to 52.7 in September, while a seasonally adjusted measure of labour under-utilisation rose 0.2 percentage points to 31.2% in September.

Gold, US Treasury & Dollar Index

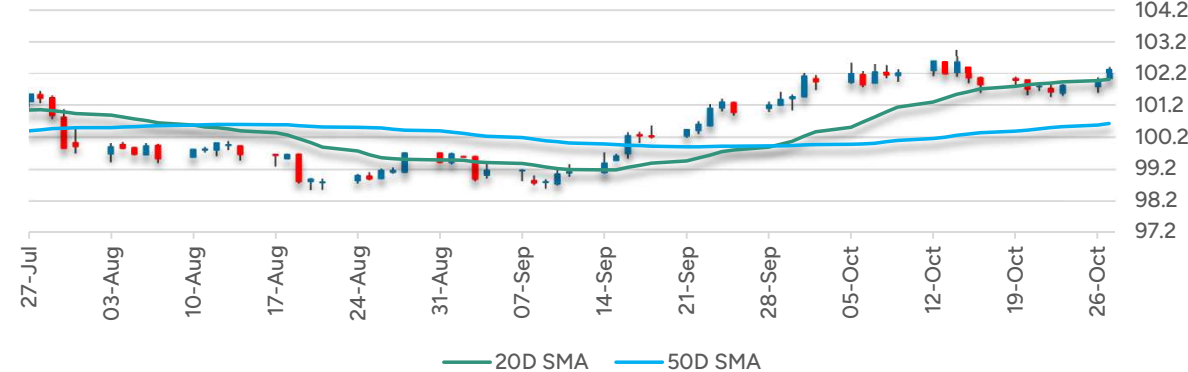
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

5.02

1M %chg

-4.24%

3M %chg

9.02%

PRECIOUS-Gold slips on oil-fuelled inflation fears ahead of Fed meeting

28 Oct 2026 08:06:19 AM

Oct 28 (Reuters) - Gold prices ticked lower on Wednesday after the previous session's climb of about 1%, as higher oil prices stoked inflation fears while investors awaited the Federal Reserve's policy decision later in the day for clues to the rate outlook. Spot gold XAU= was down 0.3% at \$4,045.29 per ounce. US gold futures GCcv1 for December delivery dropped 0.4% to \$4,059.00. "Gold is moving based on the interest rate expectations and inflation risks because of higher energy prices," said Soni Kumari, an analyst at ANZ. "As a result, the Fed will remain cautious, which remains a short-term key headwind for gold." Meanwhile, analysts cut their 2026 gold price forecast for a second straight quarter due to high Treasury yields, a strong US dollar and expectations that rates will stay higher for longer, but still expect a recovery in 2027, a Reuters survey showed. Among other metals, spot silver XAG= slid 0.6% to \$54.06 per ounce, platinum XPT= lost 0.4% to \$1,533.64 and palladium XPD=gained 0.5% to \$1,030.80.

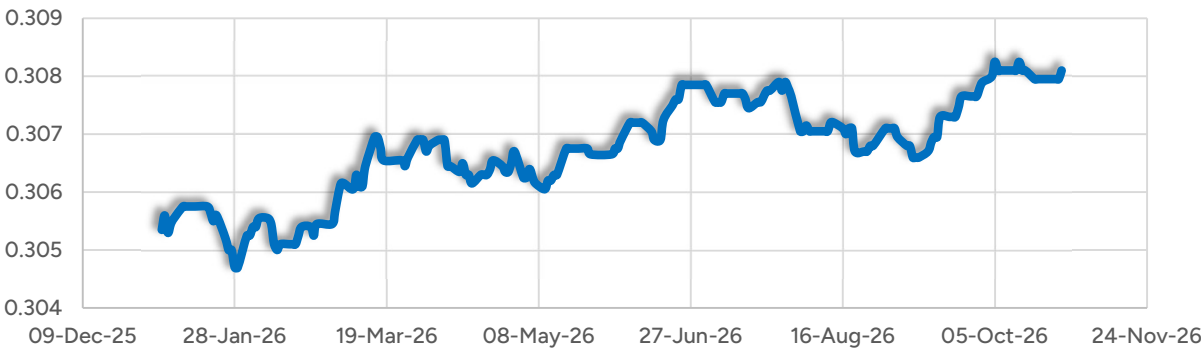
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
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%
Initial Jobless Clm	US	29/Oct 15:30	W 24 Oct	194k	199k
PCE Price Index MM	US	29/Oct 15:30	Sep	0.30%	0.50%
PCE Price Index YY	US	29/Oct 15:30	Sep	3.40%	3.60%
ECB Deposit Rate	EU	29/Oct 16:15	Oct	2.50%	2.50%

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1173	1.1179	1.1121	1.1122	-0.45%
GBP	1.3339	1.3349	1.3299	1.3303	-0.27%
JPY	157.51	157.97	157.4	157.94	0.28%
TRY	0.0201	0.0201	0.0198	0.0201	0.00%
Dollar Idx	102.03	102.402	101.986	102.319	0.35%
Brent	115.43	116.95	113.35	113.88	-1.67%
WTC	104.22	105.42	103.01	103.37	-1.79%
Gold	4015.81	4065.55	3987.14	4057.8016	1.03%
KWSE Index	8509.57	8557.33	8448.34	8549.23	0.66%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	3.06	3M	3.63
SW	3.31	6M	3.88
1M	3.44	1Y	4.06

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30815

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	4.19
3M	4.06	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

AI investment boom powers US business spending on equipment in September

WASHINGTON, Oct 27 (Reuters) - New orders for key US-manufactured capital goods increased in September and shipments of these products surged, suggesting business spending on equipment maintained a robust growth pace in the third quarter, though doubts are mounting over the huge cost of building out AI infrastructure. Non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending, rose 0.5% last month after an unrevised 1.6% jump in August, the Commerce Department's Census Bureau said.

UK budget risks leaving investors in the dark: Mike Peacock

LONDON, Oct 27 (Reuters) - UK Prime Minister Andy Burnham continues to enjoy the spotlight, but his government risks leaving investors in the dark by putting forward a “do no harm” budget. By deferring major public spending decisions until next year, Britain’s new leader could end up repeating the mistakes of his predecessor. The UK does have some momentum. Those plans have attracted more than a small measure of scepticism: governments do not tend to tighten spending just before voters go to the polls. Yet signs that the government is backtracking could send bond yields soaring.

Euro zone lending growth holds up even as survey points to weakness

FRANKFURT, Oct 27 (Reuters) - Lending to euro zone firms continued to grow at a healthy pace in September, ECB data showed on Tuesday, even as a key survey indicated tightening credit standards and no demand growth. Lending to firms across the 21-nation euro zone expanded by 4.2% in September, unchanged on the previous month, while household lending was unchanged at 3.1%, equalling its best rate in over three years. The M3 measure of money circulating in the euro zone, often an indicator of future activity, held steady at 3.5%, ahead of expectations for 3.4% in a Reuters poll of analysts.

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Australian inflation runs hot in Q3, cements case for imminent rate rise

SYDNEY, Oct 28 (Reuters) - Australia's inflation picked up in the third quarter on higher fuel costs, while stubbornly hot underlying price pressures cemented market expectations of a fifth interest rate hike as soon as next week. The consumer price index (CPI) rose 1.3% in the third quarter, after an increase of 0.6% the previous quarter, data from the Australian Bureau of Statistics showed on Wednesday. Annual CPI inflation ran at 3.9%. Inflation data for September also ran hot, with CPI rising 0.8% from the previous month, lifting the annual pace to 4.3%, the highest since March.

Brazil central bank to monitor inflation effects of workweek overhaul, plans more lending curbs

BRASILIA, Oct 27 (Reuters) - Brazil's central bank chief Gabriel Galipolo said on Tuesday that policymakers would assess the inflationary impact of ending the so-called 6x1 work schedule on a gradual basis as the changes are implemented. Speaking at a press conference, Galipolo said the central bank also plans to announce additional measures later this year aimed at curbing aggressive lending practices, drawing on international best practices. He said measures unveiled by policymakers last week were viewed as necessary first steps in strengthening oversight of the sector.

Oil prices rise after attack on Saudi Arabian refinery reignites supply concerns

BEIJING, Oct 28 (Reuters) - Oil prices rose on Wednesday after an attack on a refinery in Saudi Arabia, the world's biggest crude exporter, renewed concerns around the risks to supply in the Middle East stemming from the conflict with Iran and its proxies. Brent crude futures LCOc1 rose \$1.48, or 1.3%, to \$115.36 a barrel. US West Texas Intermediate crude CLc1 rose \$1.22 or 1.22% to \$101.12. That was despite data expected to show a rise in crude inventories in the US. Crude oil stockpiles rose by about 15,000 barrels in the week ended October 23, according to a poll of eight analysts by Reuters.