

Market Commentary

KFH Treasury

Report produced on
29-Oct-2026



Forex Market



JAPANESE YEN



CLOSE

157.82

1M %chg

0.34%

3M %chg

-3.40%

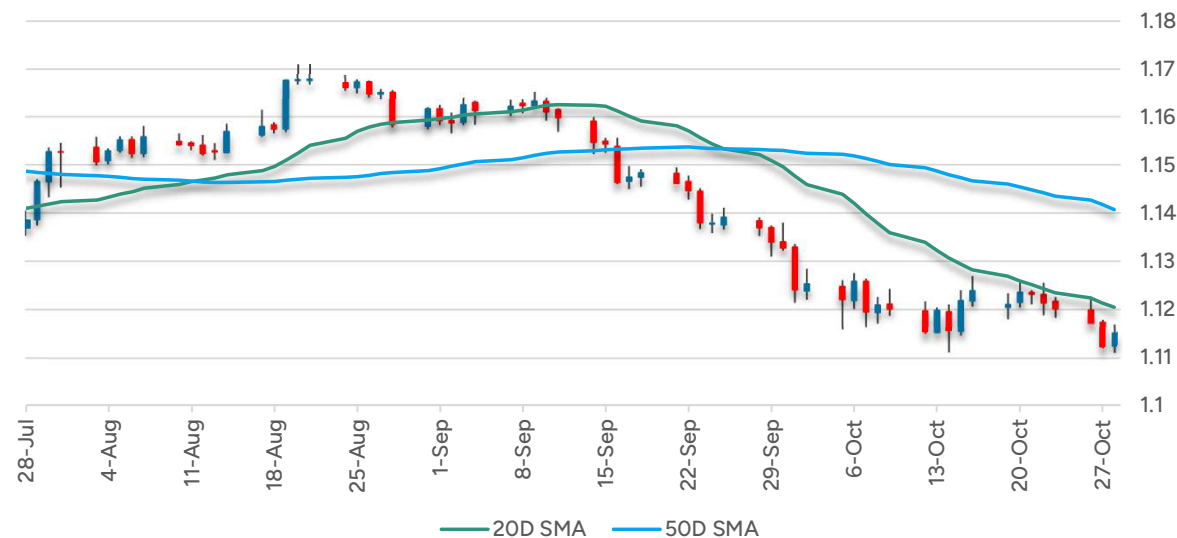
Japanese yen mostly better bid post-Fed, pre-ECB and BOJ

29 Oct 2026 07:16:54 AM

- * Japanese yen better bid almost across the board post-Fed, pre-ECB, BOJ
- * Fed hawkish hold confirmed, ECB seen on hold, BOJ hawkish hold likely too
- * USD/JPY from 158.35 pre-FOMC, 158.06 early Asia to 157.61 EBS
- * Still ensconced in 156.42-158.44 daily Ichimoku cloud, 200/100-HMAs above
- * Back into 157.34-82 hourly Ichimoku cloud, 200-HMA 157.69, 100-HMA 157.48
- * \$764 mln in option expiries today in current area between 157.50-75
- * \$2 bln from 157.31 to 157.00 below, above \$940 mln 157.90, 158.50 \$661 mln



EURO



CLOSE

1.1152

1M %chg

-1.66%

3M %chg

-2.73%

EUR pairs remain heavy post-FOMC in quiet Asia trade

29 Oct 2026 06:46:40 AM

- * EUR/USD 1.1135-61 EBS, inside day after 1.1114-69 range yesterday
- * No major surprises from FOMC, hawkish hold as eyed
- * USD remains better bid across board on geopolitical concerns
- * US yields tad higher, Wall Street up and crude oil prices too
- * EUR/USD currently in 1.1139-73 descending hourly Ichimoku cloud
- * Descending 100-HMA 1.1170 above in cloud, 200-HMA 1.1197 above
- * Option expiries 1.1060-95 E810 mln, 1.1100 E1.9 bln, 1.1115-50 E1.3 bln
- * Also today between 1.1160-95 total E1.7 bln, 1.1200-80 E5.9 bln

Forex Market

POUND STERLING



CLOSE1.3325

1M %chg0.73%

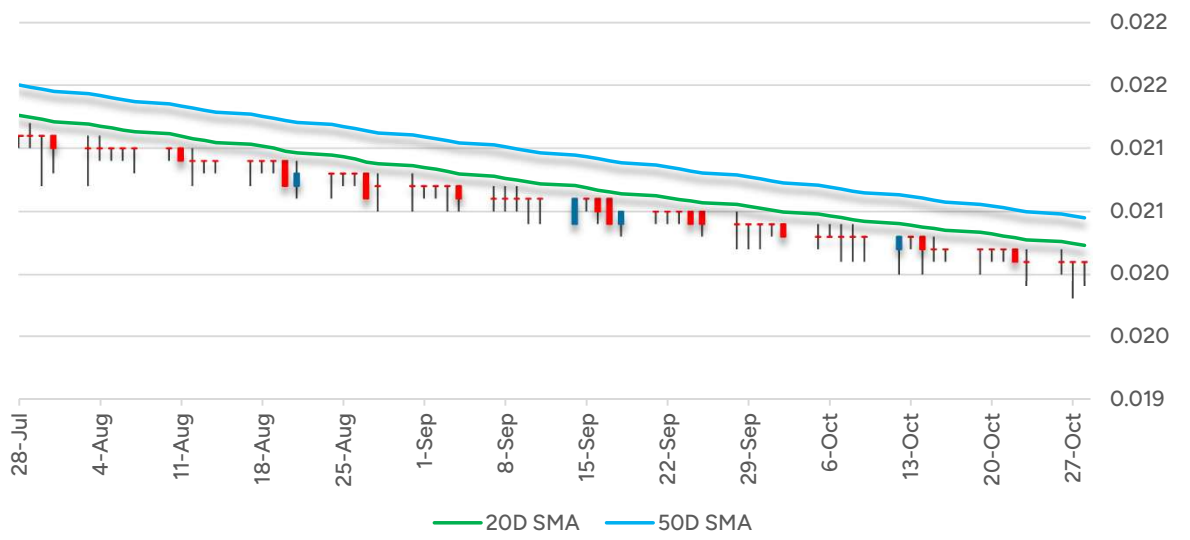
3M %chg-0.33%

GBP/USD-Carves out a range, firmer after bounce from support

29 Oct 2026 07:28:52 AM

- * GBP/USD unchanged in Asia after trading in a 1.3274-1.33385 range on Wed
- * Dropped to 1.3306 from 1.3329 New York close before rallying to 1.3335
- * Supported by decline in US yields; 10 and 30-yr yields drop 5 bps in Asia
- * Buoyed by Fed's patient stance on rates as it awaits further inflation data
- * UK budget seen as fiscally credible but largely taken in stride
- * US GDP, PCE data Thu in focus; US midterms, BoE rate decision next week key
- * Consolidation in 1.3275-1.3400 range likely as risk events loom
- * Support 1.3305, stronger at 1.3275-85, resistance 1.3350, 1.3390-1.3400

TURKISH LIRA



CLOSE0.0201

1M %chg-1.47%

3M %chg-4.74%

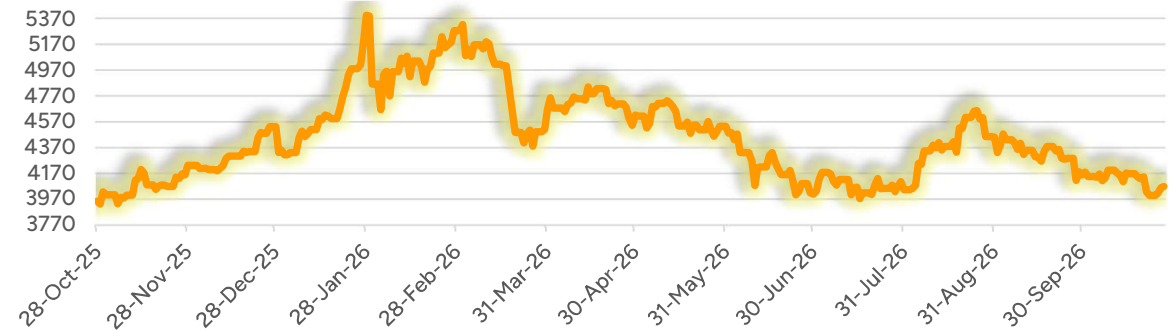
Turkey's September trade deficit narrows 25.8% to \$5.16 billion, stats office says

28 Oct 2026 11:34:45 AM

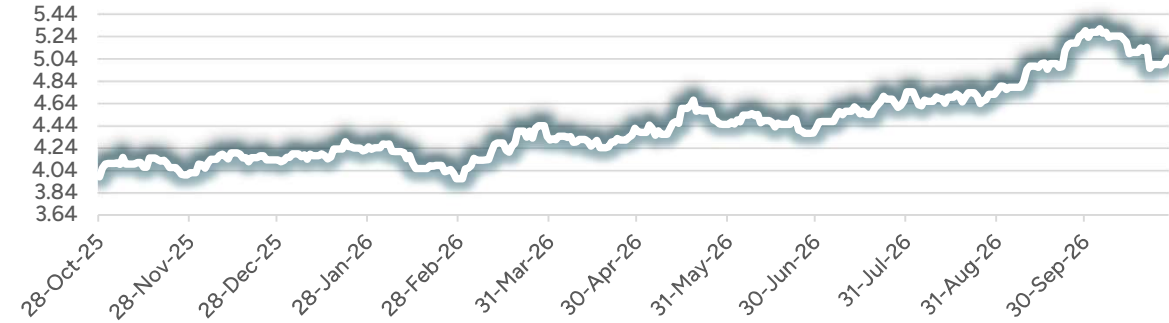
GDANSK, Oct 28 (Reuters) - Turkey's foreign trade deficit narrowed 25.8% year-on-year to \$5.16 billion in September, data from the Turkish Statistical Institute showed on Wednesday. Exports rose 15.3% from a year earlier to \$25.96 billion, while imports increased 5.6% to \$31.13 billion, the data showed. In the January-September period, the trade deficit widened 5.7% from a year earlier to \$70.97 billion.

Gold, US Treasury & Dollar Index

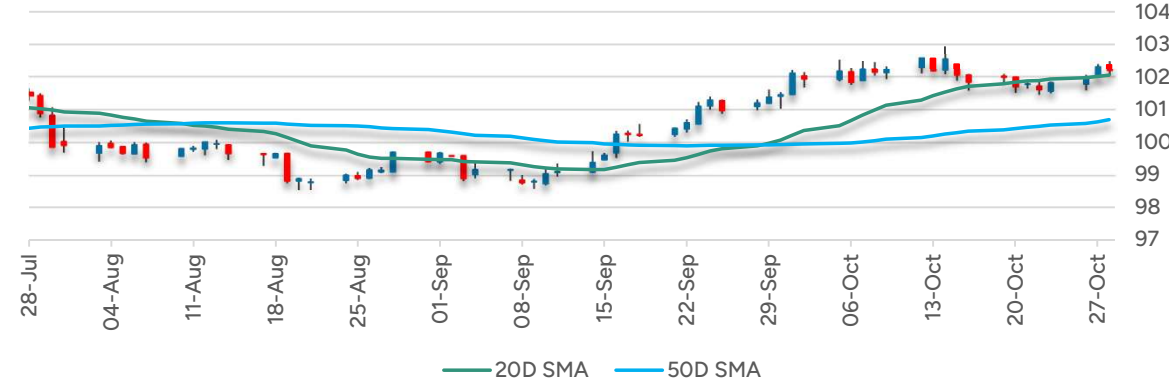
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.98

1M %chg

-5.15%

3M %chg

7.84%

PRECIOUS-Gold slips as markets assess Fed signals, await US inflation data

29 Oct 2026 08:22:12 AM

Oct 29 (Reuters) - Gold prices fell on Thursday as investors assessed signals from the Federal Reserve and Chair Kevin Warsh after policymakers left interest rates unchanged, while awaiting key US inflation data later in the day for further clues on the rate outlook. Spot gold slid 0.7% to \$4,037.98 per ounce, while US gold futures for December delivery steadied at \$4,049.80. Traders are now pricing in about a 78% chance of a rate hike in December, compared with 84% before the announcement, according to the CME's FedWatch Tool. Higher interest rates increase the opportunity cost of holding non-yielding bullion, reducing its appeal to investors. Elsewhere, China's net gold imports via Hong Kong in September rose more than 28% from August to a five-month high, Hong Kong Census and Statistics Department data showed on Wednesday. Among other metals, spot silver XAG=fell 1.5% to \$53.15 per ounce, platinum dropped 1.5% to \$1,515.70 and palladium slid 0.6% to \$1,004.25.

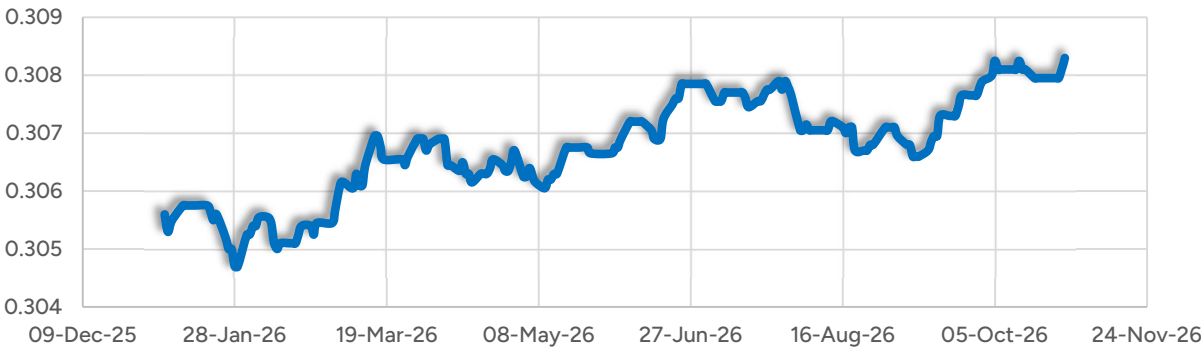
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
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%
ECB Refinancing Rate	EU	29/Oct 16:15	Oct	2.65%	2.65%
Nat Gas-EIA Implied Flow	US	29/Oct 17:30	W 23 Oct	77Bn	

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1126	1.1169	1.1111	1.1152	0.27%
GBP	1.3304	1.3338	1.3269	1.3325	0.17%
JPY	157.91	158.34	157.63	157.82	-0.08%
TRY	0.0201	0.0201	0.0199	0.0201	0.00%
Dollar Idx	102.367	102.491	102.046	102.194	-0.12%
Brent	114.11	116.51	113.29	115.32	1.26%
WTC	105.34	107.05	104.93	106.25	2.79%
Gold	4059.32	4082.19	4023.29	4067.0371	0.23%
KWSE Index	8551.51	8555.25	8473.21	8490.4	-0.69%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.81	3M	3.63
SW	3.31	6M	3.81
1M	3.44	1Y	4.00

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30835

3M% CHG

0.16%

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	4.21
3M	4.06	1Y	4.46

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 goods trade deficit widens as AI-related demand pushes imports to record high

WASHINGTON, Oct 28 (Reuters) - The US trade deficit in goods unexpectedly widened in September as imports surged to a record high, driven by strong demand for capital goods linked to the AI infrastructure buildout, suggesting trade was a significant drag on economic growth in the third quarter. The goods trade shortfall increased 2.1%, or \$2.8 billion, to \$134.9 billion last month, the largest since March 2025, the Commerce Department's Census Bureau said. Economists polled by Reuters had forecast the goods deficit at \$130.2 billion. The goods trade gap widened through the third quarter.

In first budget, UK's Healey tries to shelter households from economic storms

LONDON, Oct 28 (Reuters) - UK finance minister John Healey offered help on Wednesday to households buffeted by "global economic storms", easing the hit from rising energy bills and helping drivers with fuel costs in the first budget of Prime Minister Andy Burnham's government. The new budget measures included a £100 (\$133) payment to around 20 million households living in lower-valued homes to soften a leap in their energy bills, costing £2.6 billion. Regional mayors will gain more control over tax revenues to further Burnham's devolution push.

ECB to hold rates as investors focus on French bonds, Lagarde's future

The European Central Bank is set to keep interest rates on hold on Thursday in a well-telegraphed decision that is likely to be overshadowed by questions about bond-market turmoil in France and ECB President Christine Lagarde's own future. The euro zone's central bank has already raised rates twice since June and is expected to resume tightening in the coming months as policymakers seek to prevent an oil-price shock linked to the Iran conflict from feeding into other prices and wages. Money markets are currently pricing roughly three further rate increases, which would take the deposit rate to 3.25%.

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China's new export curbs draw a line around its AI crown jewels

SINGAPORE/BEIJING, Oct 28 (Reuters) - China's proposed artificial intelligence export curbs will push a business model favoured by Beijing and the industry's biggest players: keeping valuable technology at home while selling access to it abroad as rivalry with US intensifies. The new rules would broadly allow overseas users to access Chinese AI through websites and cloud platforms while subjecting transfers of underlying technology or deployments overseas to government approval. That distinction matters for developers that rely on computing facilities abroad, where they can gain access to powerful chips constrained by US export restrictions on China.

Thai central bank keeps interest rate unchanged, as expected

BANGKOK, Oct 28 (Reuters) - Thailand's central bank kept its key interest rate unchanged for a fourth straight meeting on Wednesday, as widely expected. The Bank of Thailand's monetary policy committee voted unanimously to maintain the one-day repurchase rate THCBIR=ECI at 1.00%. All 26 economists polled by Reuters had expected the policy rate to remain unchanged. The central bank forecast the economy would grow 2.4% this year and 2.1% in 2027, compared with its June forecasts of 2.3% and 1.8%, respectively, supported by stronger momentum in exports, plus technology and AI-related private investment.

Oil prices fall as peace hopes offset fears of growing Middle East conflict

Oct 29 (Reuters) - Oil prices fell on Thursday, paring gains made a day earlier, as hopes for peace talks took the edge off renewed concerns over Middle East supply disruptions from escalating regional conflict. Brent crude futures LCOc1 declined \$1.22, or 1.1%, to \$114.10 a barrel. US West Texas Intermediate (WTI) crude CLc1 futures were down \$1.33, or 1.3%, at \$101.45. Brent rose 1.3% and WTI gained 3% on Wednesday. Saudi authorities did not immediately confirm the strike on the 550,000-barrel-per-day facility. But gasoline stockpiles rose by 3.9 million barrels, against analysts' expectations for a draw of 0.9 million barrels.