

Market Commentary

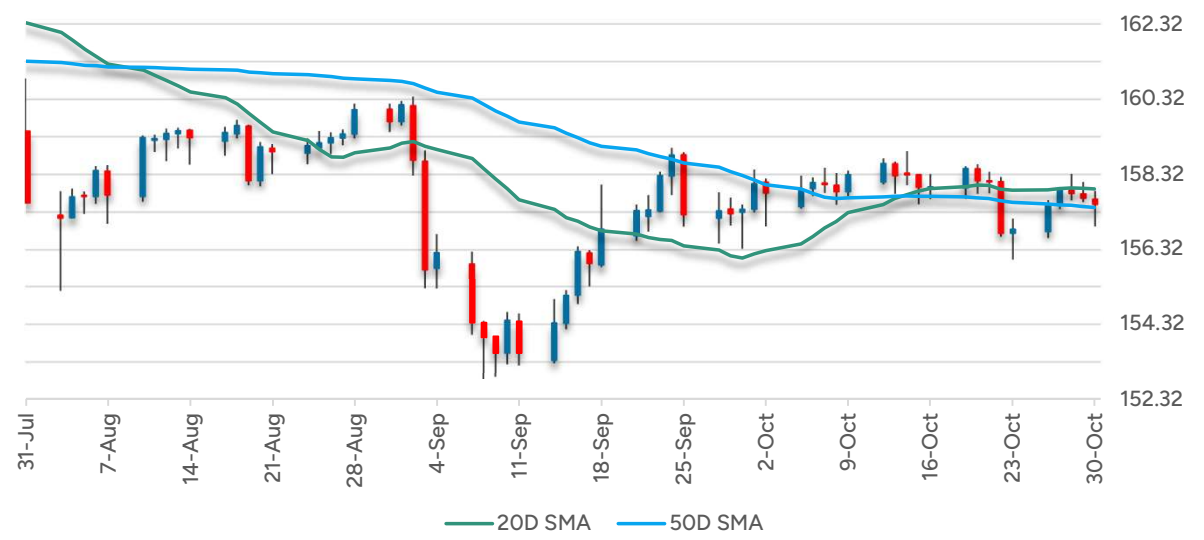
KFH Treasury

Report produced on
01-Nov-2026



Forex Market

JAPANESE YEN



CLOSE

157.53

1M %chg

-0.34%

3M %chg

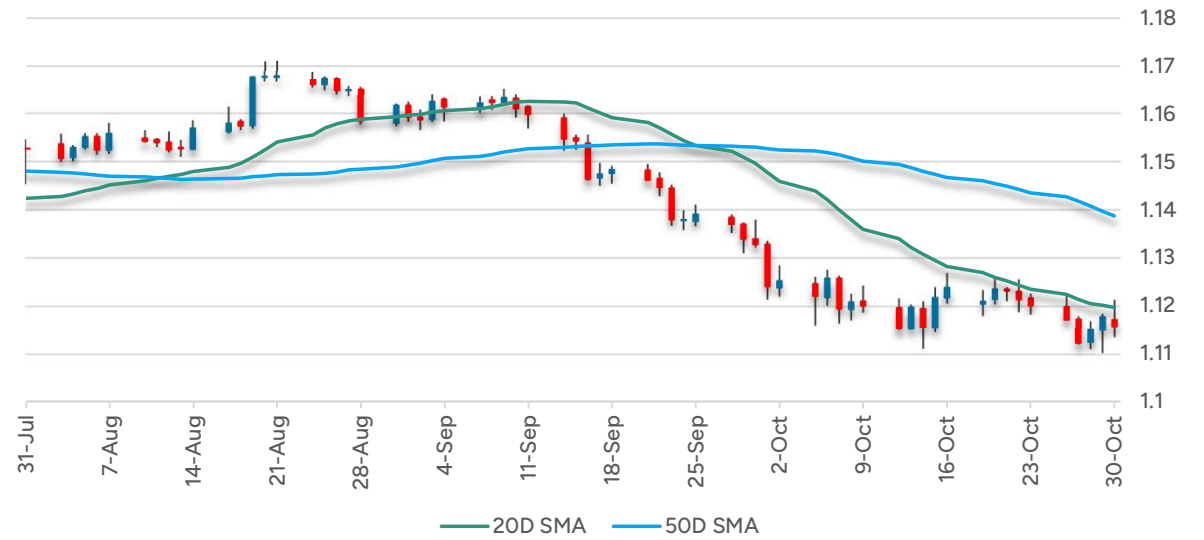
-0.03%

COMMENT-Yen slowly garners haven appeal as BOJ backs normalization

30 Oct 2026 05:56:33 PM

The yen is building safe-haven appeal as weaker US equities and expectations for further Bank of Japan tightening set it apart from other G10 peers. Moreover, supportive yen factors have been largely offset by elevated commodity prices and persistent outbound investment flows in 2026, encouraging USD/JPY dip-buying including near 156.08 last week. This may be the case on Friday as the pair finds support near 157.00. This leaves the pair drifting toward the lower end of its 156.63-158.44 daily Ichimoku cloud. A close below the 156.90 lower Bollinger would expose the cloud base and potentially the Oct. 24 low of 156.08 as momentum rises. Conversely, bulls need a move above the 21-DMA at 157.91 and ultimately a close above the cloud top and 200-DMA near 158.55 to regain control.

EURO



CLOSE

1.1158

1M %chg

-0.74%

3M %chg

-3.20%

COMMENT-Data could drive ECB, weigh on EUR/USD

30 Oct 2026 05:12:09 PM

EUR/USD climbed above its downward-sloping 10- and 21-day moving averages on Friday and reached a four-session high. It then gave up those gains and turned lower. Downside risks for the pair have probably grown, because the latest euro zone data may give the ECB a reason to lean dovish. The 1.1065-1.1105 zone still looks vulnerable. It contains the 50% Fibonacci retracement of the 1.0125-1.2084 rally, the psychological 1.1100 level and the May 2025 monthly low. A break below that support zone could lead to a steep decline in EUR/USD.

Forex Market



 POUND STERLING



CLOSE1.3391

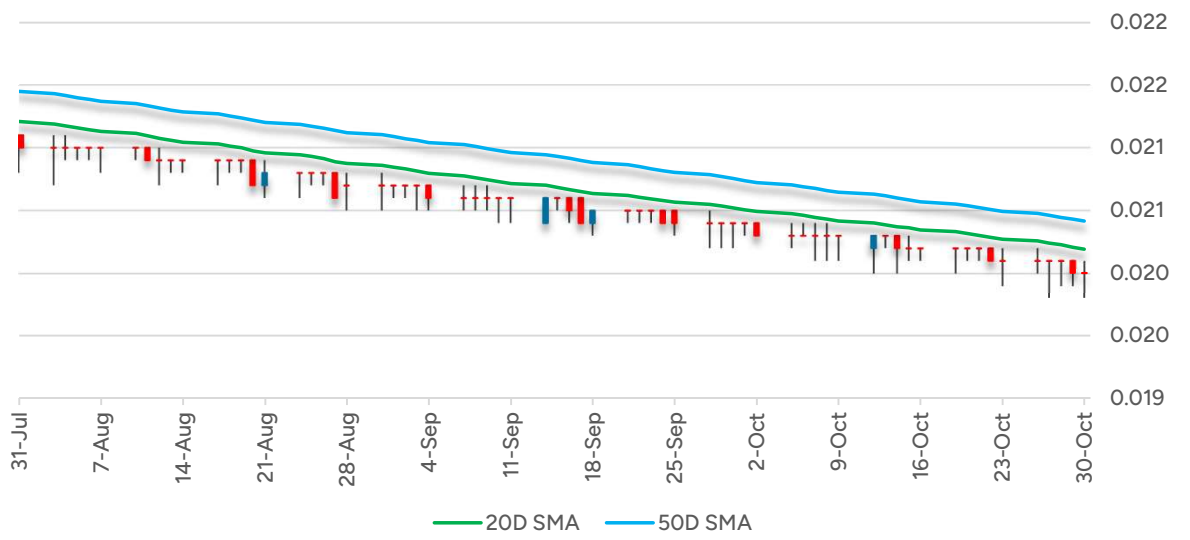
1M %chg1.45%

3M %chg-0.66%

Sterling climbs to fresh 6-week high as UST yields, tech stocks slide
30 Oct 2026 09:47:23 PM

- * GBP\$ a tad firm in NY afternoon trade, +0.08% at 1.3389; NorAm range 1.3433-1.3275
- * Pair eking out slight gain after surging to Fresh 6-wk high amid UST haven buying
- * Next key event for GBP is Nov 5 MPC meeting, expected 25bp hike, should support GBP
- * Falling UST yields weighs on USD after Warsh comments yield no outlook on Fed rate tack
- * Considerable GBP net spec IMM short likely to continue unwinding on widening rate diff
- * GBP\$ supt 1.3375 Friday low, 1.3360 rising 10-DMA, 1.3274 Oct 28 low
- * Res 1.3430/33- 200DMA/Fri high, 1.3469 61.8% Fib of 1.3675-1.3137, 1.3566 Sept 9 high

 TURKISH LIRA



CLOSE0.0200

1M %chg-1.96%

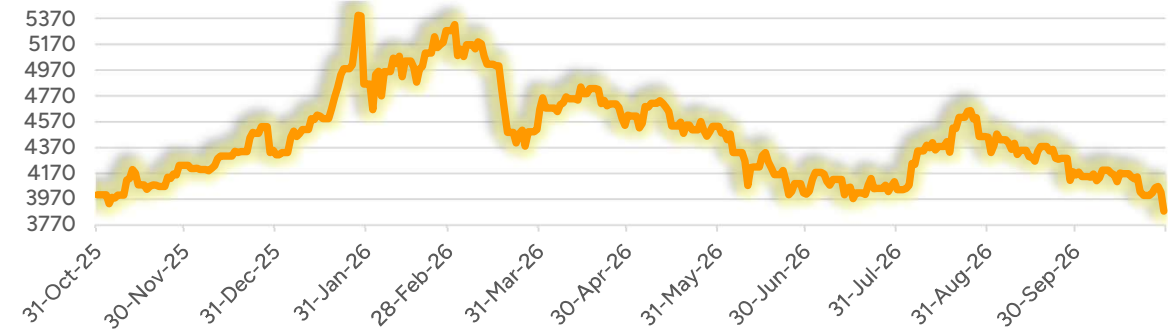
3M %chg-4.76%

Turkey's Q3 tourism revenues rise 5%, minister sees full-year topping \$65 billion
30 Oct 2026 01:01:04 PM

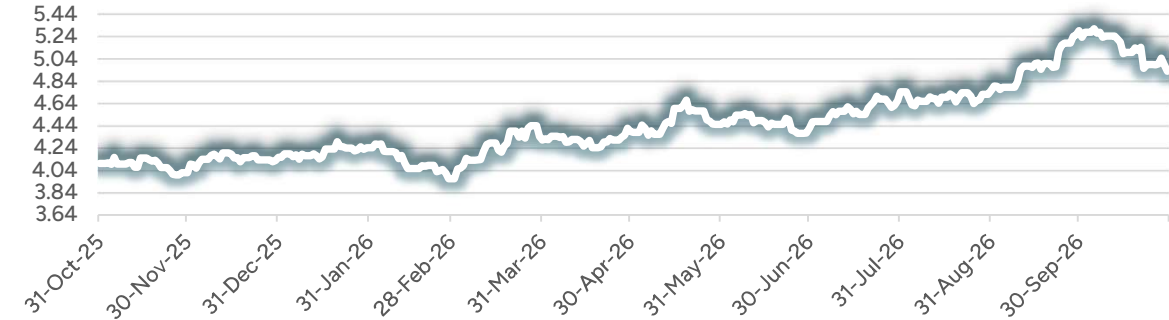
GDANSK, Oct 30 (Reuters) - Turkey's tourism revenues rose 5% year-on-year to \$25.53 billion in the third quarter, with revenues in the first nine months increasing 2.4% to \$51.29 billion, Turkish Statistical Institute data showed on Friday. The number of visitors fell 1% year-on-year to 23.37 million in the third quarter, while total arrivals reached 49.13 million in the January-September period, the data showed. Separately, data from the Tourism Ministry showed that the number of foreign visitors rose 0.4% year-on-year to 6.11 million in September. However, foreign arrivals fell 1.52% to 40.93 million in the first nine months of the year.

Gold, US Treasury & Dollar Index

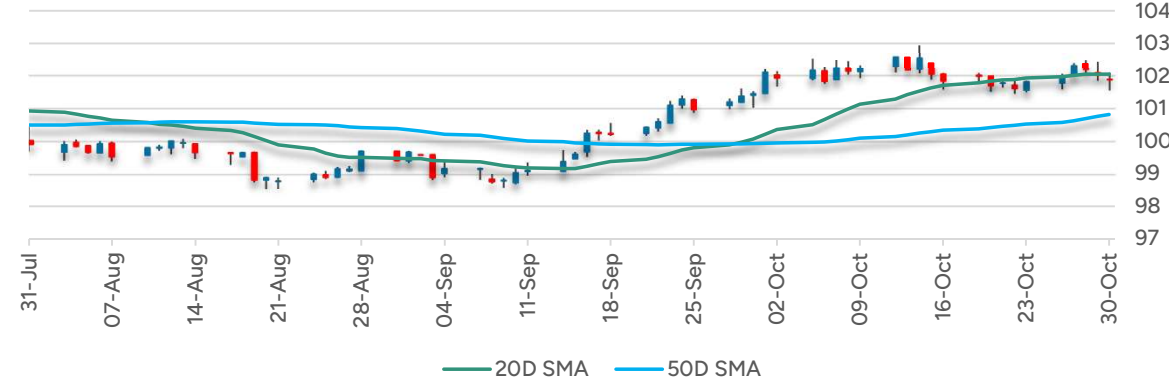
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.93

1M %chg

-5.83%

3M %chg

3.88%

PRECIOUS-Tech rout drives gold to one-year low, white metals sink deep into oversold zone
31 Oct 2026 10:51:00 PM
Oct 30 (Reuters) - Gold prices hit a one-year low on Friday while silver, platinum and palladium slid deep into technically oversold territory, as tech shares slumped amid worries that AI spending may not deliver sufficient returns. Spot gold XAU= fell 3.5% to \$3,880.97 an ounce its lowest level since October 2025 — while silver XAG= dropped 6.5% to \$49, breaking below \$50 for the first time in 11 months, and palladium XPD= slid below \$1,000. US gold futures GCv1 for December delivery settled 3.3% lower at \$3,898.90 per ounce. Gold is down 30% since hitting a record high of \$5,595 in January due to bets on interest rates staying higher for longer and is currently under pressure from muted demand in Asia. Analysts, however, say central bank demand tends to strengthen whenever gold is below \$4,000. Platinum XPT= was last down 4.2% at \$1,425.02, while palladium XPD= lost 3% to \$976.08 under pressure from worries about auto sector demand.

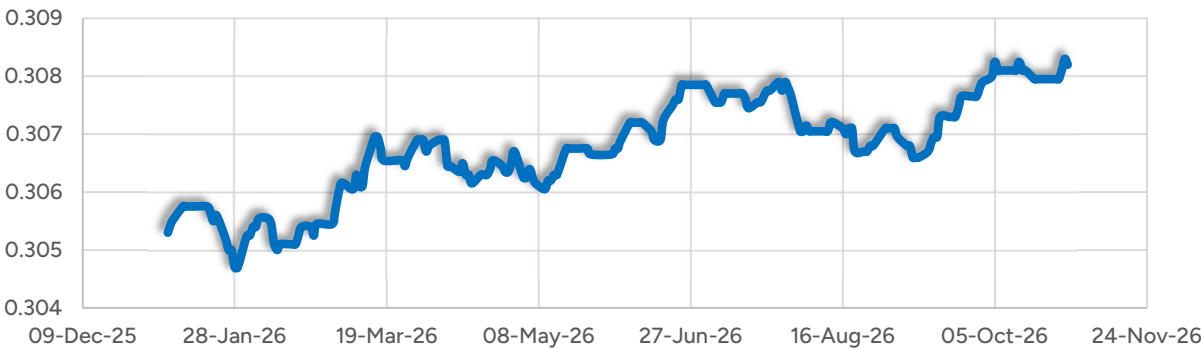
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
S&P Global Mfg PMI Final SA	JP	02/Nov 03:30	Oct	53.3	
S&P MFG Final PMI	EU	02/Nov 12:00	Oct	52.4	52.4
S&P GLOBAL MANUFACTURING PMI	GB	02/Nov 12:30	Oct	52.8	52.8
Monetary Base YY	JP	04/Nov 02:50	Oct	-15.21%	
S&P Composite Final PMI	EU	04/Nov 12:00	Oct	51.9	51.9
S&P Services Final PMI	EU	04/Nov 12:00	Oct	51.7	51.7
Reserve Assets Total	GB	04/Nov 12:30	Oct	225911.02Mn\$	
S&P GLOBAL PMI: COMPOSITE - OUTP	GB	04/Nov 12:30	Oct	53.1	53.1
HICP Flash YY	EU	04/Nov 13:00	Oct	3.80%	3.90%
HICP-X F, E, A, T Flash MM	EU	04/Nov 13:00	Oct	0.20%	
HICP-X F,E,A&T Flash YY	EU	04/Nov 13:00	Oct	2.50%	2.50%

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1172	1.1214	1.1136	1.1158	-0.18%
GBP	1.3374	1.3433	1.337	1.3391	0.12%
JPY	157.66	157.89	156.94	157.53	-0.10%
TRY	0.02	0.0201	0.0198	0.02	0.00%
Dollar Idx	101.882	102.089	101.544	101.879	-0.15%
Brent	115.67	118	115.22	117.64	2.40%
WTC	107.38	108.48	106.78	107.56	3.92%
Gold	4022.7	4025.92	3869.8539	3875.0239	-3.62%
KWSE Index	8508.3	8517.53	8448.42	8453.99	-0.43%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.94	3M	3.69
SW	3.38	6M	3.88
1M	3.50	1Y	4.13

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30825

3M% CHG

0.18%

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	3.90	6M	4.19
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	29/Oct/'26	2.65	2.65	0.00
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 fiscal deterioration main headache for investors as midterms loom

NEW YORK, Oct 30 (Reuters) - The United States' deteriorating fiscal picture has been a nagging worry for investors, who see no easy solutions however the midterm elections play out. Concerns over the fiscal outlook have weakened confidence in US Treasuries this year, as the national debt tops \$40 trillion and persistent deficits fuel expectations of heavier debt issuance in the years ahead. Congress has postponed a contentious debate over fiscal 2027 spending until after the midterms, setting up a December 11 deadline to reach a funding agreement.

UK inflation expectations fall in October, Citi/YouGov survey shows

LONDON, Oct 29 (Reuters) - The British public's expectations for future inflation fell for the first time in two months in October, though this was unlikely to stop the Bank of England hiking rates next week, analysts at Citi said on Thursday. Expectations for inflation in five or more years' time, which are closely watched by the Bank of England, fell to 4% from 4.3% in September, according to a survey from US bank Citi and pollsters YouGov published on Thursday. Year-ahead expectations, which tend to be influenced by moves in short-term inflation and energy prices, decreased to 4.2% from 4.5%.

ECB survey sees higher inflation in coming quarters

FRANKFURT, Oct 30 (Reuters) - Euro zone inflation is expected to be sharply higher this year and next than earlier predicted, and may only return to the European Central Bank's 2% target in 2028, the bank's Survey of Professional Forecasters showed on Friday. The ECB's quarterly survey now sees inflation averaging 3.0% this year, above the 2.7% predicted earlier while next year's projection was lifted to 2.6% from 2.2%. Core inflation, which filters out food and energy costs, was seen averaging 2.4% this year and 2.5% next, but will remain above 2% even in 2028, the survey said.

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BOJ declares victory in hitting price target, signals near-term hikes

TOKYO, Oct 30 (Reuters) - The Bank of Japan kept interest rates steady on Friday, but declared victory in a nearly 14-year battle to hit its price target and signalled vigilance against inflation risks, suggesting the next rate hike could be as soon as December. With underlying inflation having roughly hit the BOJ's 2% target, the central bank must focus on anchoring it around that level, it said, suggesting that its policy has entered a new, more hawkish phase open to hiking rates once every few months. In the previous report released in July, the BOJ had said underlying inflation was nearing its 2% target as long-term inflation expectations heightened gradually.

Brazil debt climbs to \$1.8 trillion as interest costs surge

BRASILIA, Oct 29 (Reuters) - Brazil's public debt rose nearly 1% in September, driven largely by interest costs, Treasury data showed on Thursday, as interest expenses continued to drive debt accumulation. Brazil's public debt increased 0.97% from August, to 9.383 trillion reais (\$1.76 trillion), with interest expenses totaling 89.5 billion reais in the month. Debt issuance reached 189.4 billion reais, but was almost entirely offset by redemptions totaling 188.7 billion reais over the same period. Interest costs also dominated the year-to-date result, amounting to 784.4 billion reais, while net debt redemptions totaled 36.5 billion reais.

Oil jumps 2%, settles at 6-month highs on fears of escalation in Iran

HOUSTON, Oct 30 (Reuters) - Oil prices jumped more than 2% on Friday and settled at their highest levels since the end of April, as traders braced for a potential escalation in the Iran war after the US midterm elections, with an attack on a tanker in the Strait of Hormuz highlighting supply risks. Brent crude futures for December, which expired on Friday, settled up \$2.76, or 2.4%, at \$117.64 a barrel, after touching a high of \$118. The more active January contract gained \$2.63 to \$113.43. US West Texas Intermediate (WTI) crude futures settled \$2.12, or 2.08%, higher at \$104.12. For the month, Brent finished 13.6% higher, while WTI rose 15.2%.