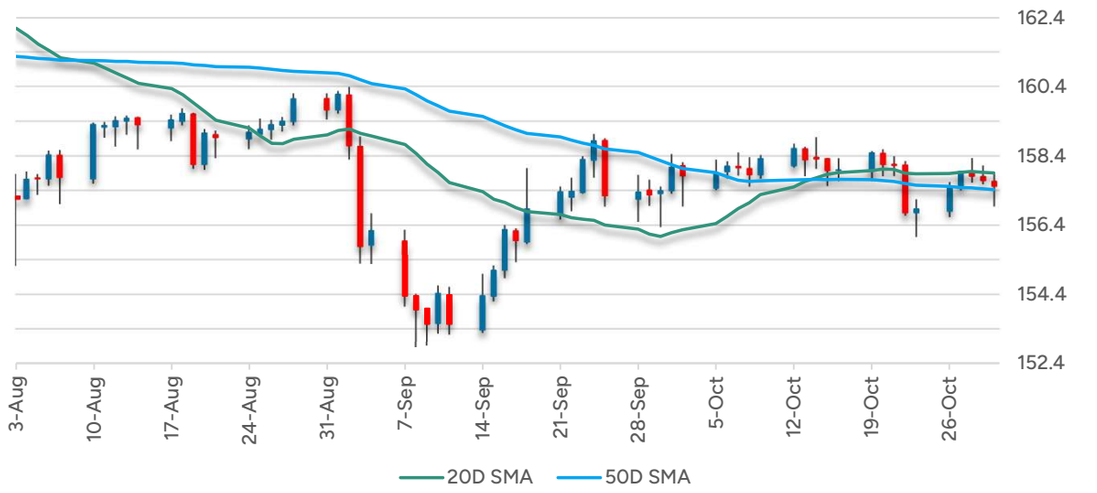
بيت التمويل الكويتي
KFH

Market Commentary
KFH Treasury

Report produced on
02-Nov-2026

Forex Market

JAPANESE YEN



CLOSE	1M %chg	3M %chg
157.53	-0.19%	-0.03%

USD/JPY-Rallies, shrugs off oil slide, Katayama comments
02 Nov 2026 07:06:28 AM
* USD/JPY rallies 0.15% after early Asia dip on risk aversion fades
* Decline to 157.45 from Fri 157.64 close sees strong demand on Fed rate bets
* Steady rise to 157.98 ensues as traders brace for US mid terms on Tuesday
* Japan sees no change in US FX coordination after midterm elections-Katayama
* EUR/JPY +0.2% after falling to a 1-yr low on Fri amid Europe fiscal concerns
* Upside for pair limited on France outlook cut, Frankfurt riots and looting
* USD support 157.40-45, 157.00-05, resistance 158.00-10, 158.50-60

EURO

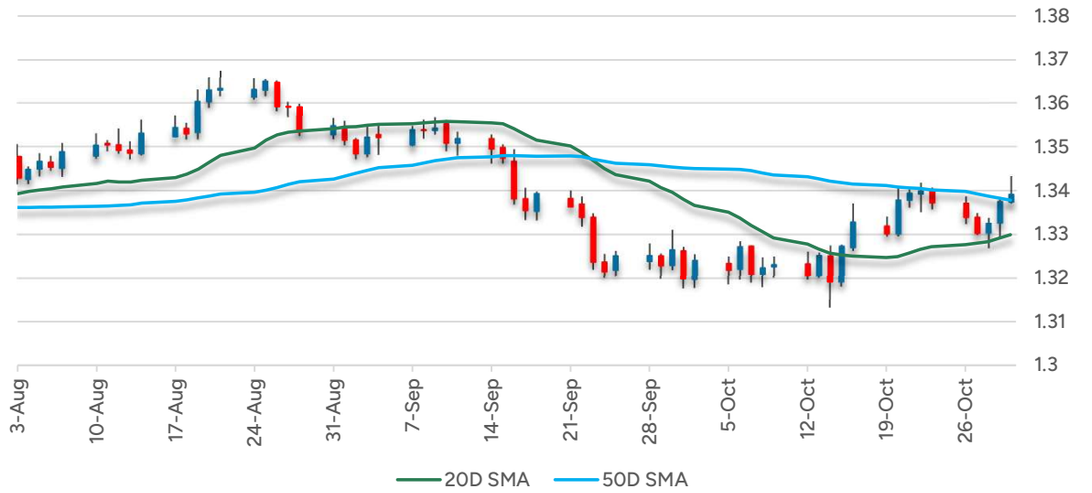


CLOSE	1M %chg	3M %chg
1.1158	-0.84%	-3.20%

EUR/USD firms slightly in Asia despite global concerns
02 Nov 2026 06:30:47 AM
* EUR/USD +0.1% Mon in quiet trading as subdued risk sentiment lingers
* Fitch affirms FR A+ credit rating, but revises outlook to negative
* WTI -2.5% to $101.57 a barrel amid claims of ongoing peace efforts
* Iran state media reports two tankers damaged by mines in Strait of Hormuz
* Eyes trained on U.S. midterm elections, Trump may lose control of Congress
* AI trade worries continue to build on capex concerns, Nasdaq -2.9% Fri
* EUR 1.1065 17-month low the next target if the pair resumes downtrend
* Range Asia 1.1156-72, support 1.1065 1.0733, resistance 1.1285 1.1710

Forex Market

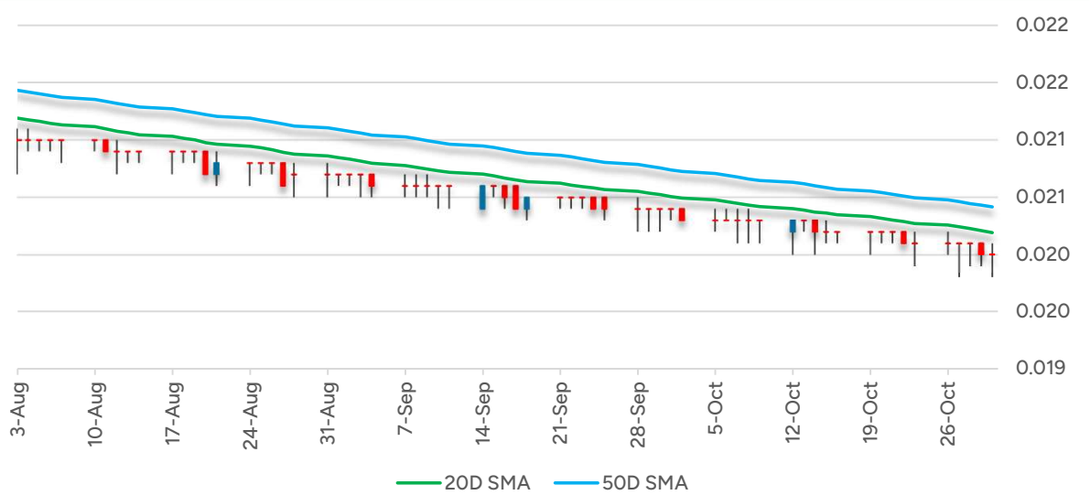
POUND STERLING



CLOSE	1M %chg	3M %chg
1.3391	1.13%	-0.66%

COMMENT-Sterling may extend its climb on broad dollar long unwinding
30 Oct 2026 06:04:41 PM
Sterling's advance to fresh six-week highs at 1.3433 looks set to extend, as tumbling US Treasury yields cement the bond market as the preferred haven amid broad-based USD selling, leaving cable room to challenge even higher ground. Though GBPUSD has eased from Friday's 1.3433 peak — just shy of 200-DMA resistance at 1.3430, to 1.3395, the backdrop stays constructive. Wednesday's budget announcement has mitigated concerns regarding fiscal risks, which had loomed ahead of its delivery on Wednesday. Given the widening UK-US rate gap, likely position-paring into year-end and lingering macro and geopolitical uncertainty, sterling bulls may feel emboldened to probe early-September highs near 1.37 and August highs near 1.38.

TURKISH LIRA

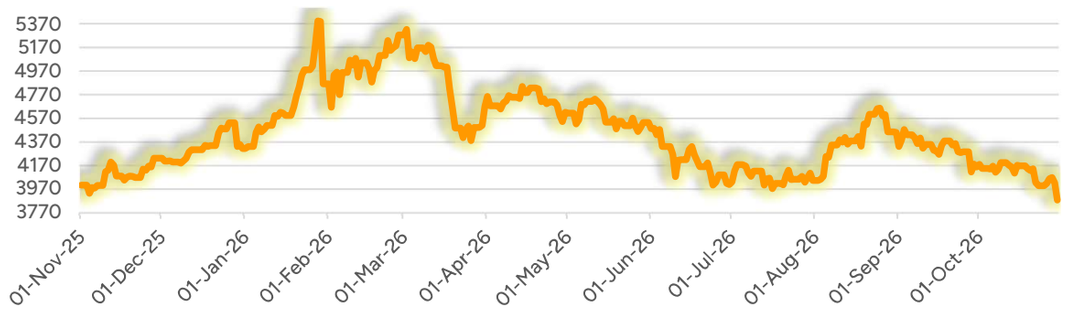


CLOSE	1M %chg	3M %chg
0.0200	-1.48%	-4.76%

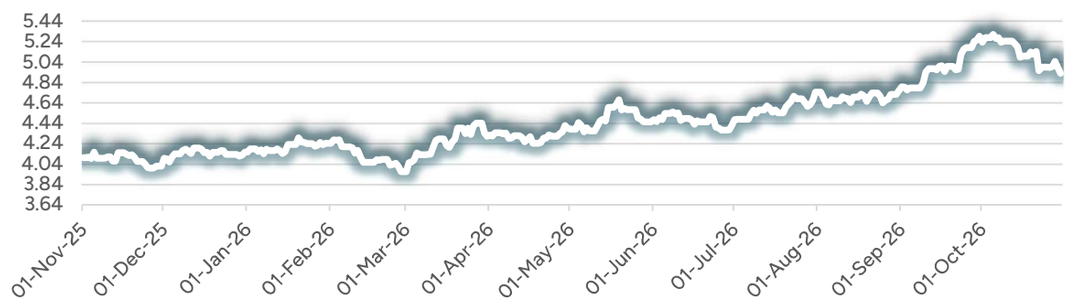
Turkish central bank net international reserves fall to lowest since March 27
30 Oct 2026 05:21:03 PM
GDANSK, Oct 30 (Reuters) - Turkish central bank's net international reserves fell to $42.87 billion in the week ending October 23, their lowest level since March 27. According to central bank data, net reserves stood at $51.51 billion in the week of October 16. Reuters had earlier reported, citing calculations by three bankers based on central bank data, that net reserves had declined by $8.5 billion to around $43 billion last week. Sources had attributed the decline to the impact of the conflict in Iran on foreign currency sales and outflows stemming from the funding crisis. Turkish central bank's gross reserves also fell to $59.04 billion as of October 23, from $62.15 billion on October 16.

Gold, US Treasury & Dollar Index

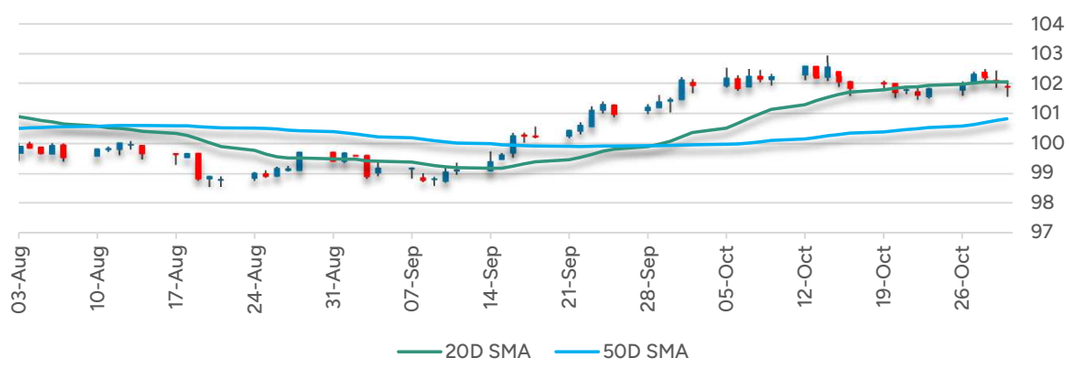
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD	1M %chg	3M %chg
4.92	-6.67%	3.79%

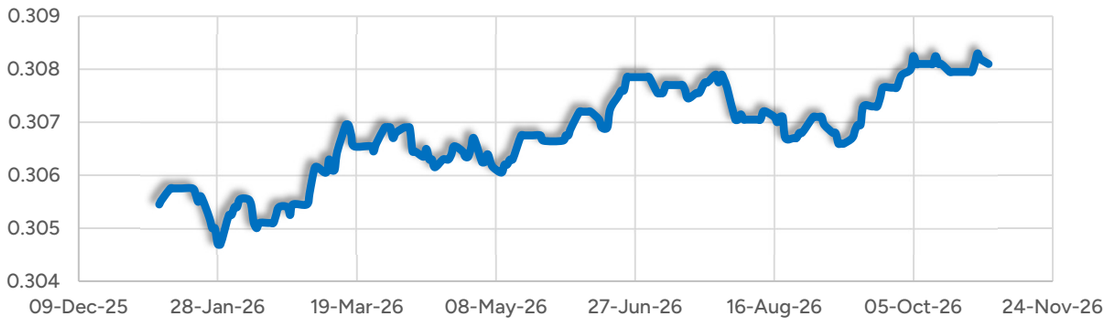
PRECIOUS-Gold rises on softer oil; Markets parse Fed signals
02 Nov 2026 09:02:44 PM
Nov 2 (Reuters) - Gold prices bounced on Monday, after a selloff in the previous session, as weaker oil prices tempered inflation concerns, while investors assessed comments from the Federal Reserve for clues on the path of US interest rates. Spot gold <XAU rose 0.7% to $3,900.90 per ounce after hitting a one-year low in the previous session. US gold futures GCcv1 for December delivery gained 0.3% to $3,909.70. Bullion slumped 3.5% to its lowest since October 2025 on Friday, falling below its key $4,000 per ounce level amid a selloff in technology stocks that led to the forced sale of safe-haven assets such as gold, and margin calls. "Gold faces a difficult near-term environment in which technical selling and liquidity concerns are overshadowing its longer-term investment appeal," said Ole Hansen, head of commodity strategy at Saxo Bank, in a note. Spot silver XAG= climbed 1.8% to $49.97, platinum XPT= gained 0.1% to $1,432.63 and palladium XPD= steadied at $976.31.

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	8447.2	8450.99	8377.49	8386.14	-0.80%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.88	3M	3.63
SW	3.38	6M	3.81
1M	3.44	1Y	4.06

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE	3M% CHG
0.30815	0.34%

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

Global Top News

KEY INTERNATIONAL STORIES

Slower wage growth curbs US labor costs in third quarter

WASHINGTON, Oct 30 (Reuters) - US labor costs increased moderately in the third quarter amid a slowdown in wage growth, suggesting that the labor market was unlikely to be an inflation risk. Labor costs advanced 3.4% in the 12 months through September after rising by the same margin in the year through June. Wages and salaries, which account for the bulk of labor costs, climbed 0.7% last quarter after rising 0.9% in the second quarter. In the 12 months through September, wages increased 3.1%, mostly lagging inflation. They had advanced 3.2% in the year through June.

Bank of England surveys show firms see pay rising around 3.5% in 2027

LONDON, Oct 30 (Reuters) - Bank of England surveys released on Friday showed businesses expect to raise pay by around 3.5% next year, similar to current rates but a level that may concern some policymakers as they consider whether to raise interest rates next week. The BoE is looking for any sign that higher inflation – which rose to 3.5% last month – is leading to successful pressure from workers for bigger pay rises next year, potentially starting a spiral of rising wages and prices. BoE policymakers tend to view wage growth above around 3% as making it harder to return inflation to its 2% target.

Euro zone growth beats projections but headwinds mount

FRANKFURT, Oct 30 (Reuters) - The euro zone economy grew faster than predicted last quarter, displaying exceptional resilience to headwinds from expensive energy, even as surging borrowing costs and rapid inflation cloud the outlook. The economies of the 21 nations sharing euro grew by 0.4% in third quarter, a slowdown from an exceptionally strong 0.6% three months earlier, but far above expectations for 0.2% in a Reuters poll of economists. Unemployment was steady at 6.5% in August but has been inching up for most of the past year and now stands well above the record-low 6.2% hit in late 2024.

China factory growth slows in October as export orders ease, private PMI shows

BEIJING, Nov 2 (Reuters) - China's factory activity expanded at a marginally slower pace in October as export order growth slowed, though output rose at its fastest rate in six months, a private survey showed on Monday. The RatingDog China General Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, edged down to 52.0 in October from 52.1 in September, beating a forecast of 51.6 in a Reuters poll, a survey by S&P Global showed. The 50-mark separates growth from contraction. Purchasing activity grew at the fastest pace since February, and stocks of purchased goods rose at the strongest pace in five months.

Indonesia September trade surplus likely narrowed to $1.9 billion

JAKARTA, Oct 30 (Reuters) - Indonesia's trade surplus likely narrowed in September, with imports expected to have surged even more than the previous month, analysts surveyed by Reuters said. Following are the details of the results of a Reuters poll conducted from October 27 to 30. The official data is due to be released on Monday. The September trade surplus was expected to narrow to $1.9 billion, from $3.55 billion a month prior, according to a median forecast of 11 analysts. Annual import growth was forecast at 20.83%, versus 19.09% in August. Export growth was seen at 6.45%, versus 6.72% in August.

Oil prices ease 3% on optimism for Qatari-led talks on ending Iran war

SINGAPORE, Nov 2 (Reuters) - Oil prices slipped more than 3% on Monday after Iranian and Qatari officials held a third straight day of talks aimed at pushing for a deal to end the US-Israeli war on Iran. Brent crude futures LCOc1 fell $3.68, or 3.2%, to $109.75 a barrel while US West Texas Intermediate crude CLc1 was at $100.69 a barrel, down $3.43, or 3.3%. Brent ended October at its highest in six months amid concerns that the US-Iran conflict could escalate again after Tuesday's US midterm elections. "Oil is seeing a technical pullback this morning after last week's strong gains," said Tim Waterer, chief market analyst at KCM Trade.

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