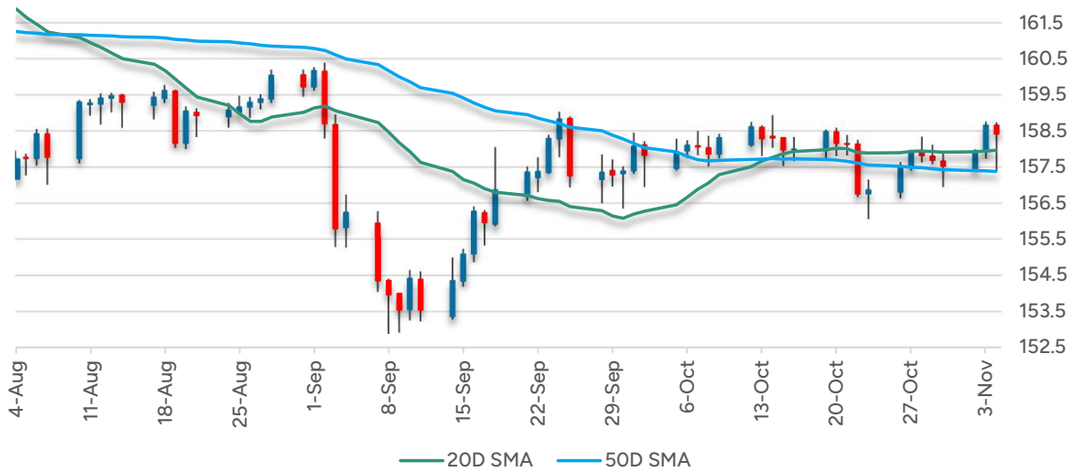
بيت التمويل الكويتي
KFH

Market Commentary
KFH Treasury

Report produced on
05-Nov-2026

Forex Market

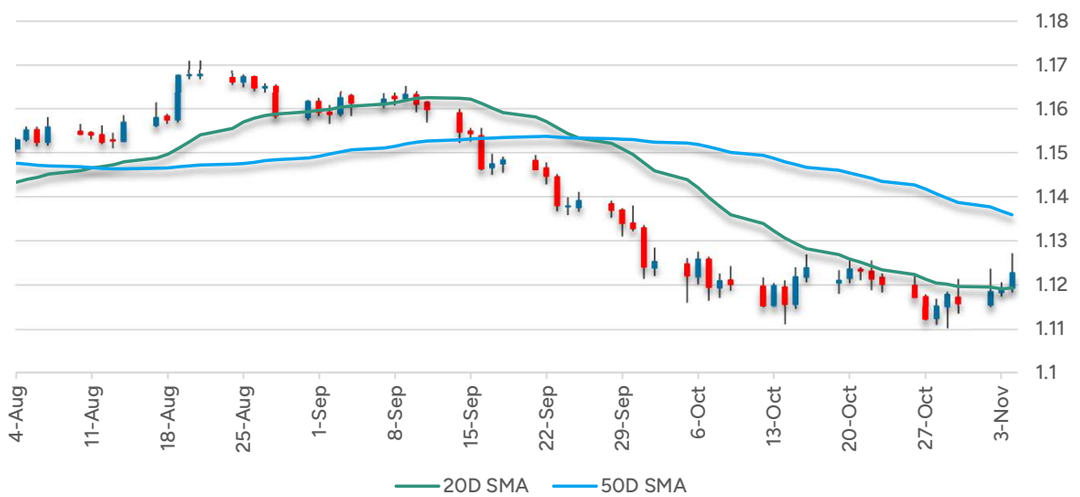
JAPANESE YEN



CLOSE	1M %chg	3M %chg
158.42	0.33%	0.43%

USD/JPY-Eases as US yields, oil retreat
05 Nov 2026 07:27:18 AM
* USD/JPY -0.3% as US midterm outcome ripples thru markets
* US crude down 1% in Asia, extends 8.3% Wed drop on hopes of end to Iran war
* US yields slide as legislative gridlock may curb govt spending, AI expansion
* Likely to cool inflation, may shorten Fed tightening cycle
* US jobs data Fri, inflation data next week; key for Fed rate expectations
* BOJ's Sep meeting reinforce expectations for further rate hikes, support JPY
* Japan services activity expands for fifth month, PMI shows
* Resistance 158.40, 158.70, 159.00, support 157.80, 157.40-50, 157.00

EURO



CLOSE	1M %chg	3M %chg
1.1227	0.05%	-2.80%

EUR/USD continues upswing as inflation concerns mount
05 Nov 2026 06:19:51 AM
* EUR/USD +0.2% Thur as rising inflation stokes ECB Dec rate hike speculation
* EU inflation hit 3-year high in Oct - inline with consensus at +4.0% y/y
* EU Sep producer prices due Thur, Reuters poll consensus 2.5% m/m, 10.9% y/y
* Democrat's win in U.S. midterm elections lifting risk sentiment short term
* EUR move toward 1.1381 55-DMA possible if positive momentum holds
* 1.1065 17-month low the next target if the pair resumes downtrend
* Range Asia 1.1230-57, support 1.1065 1.0733, resistance 1.1285 1.1710

Forex Market

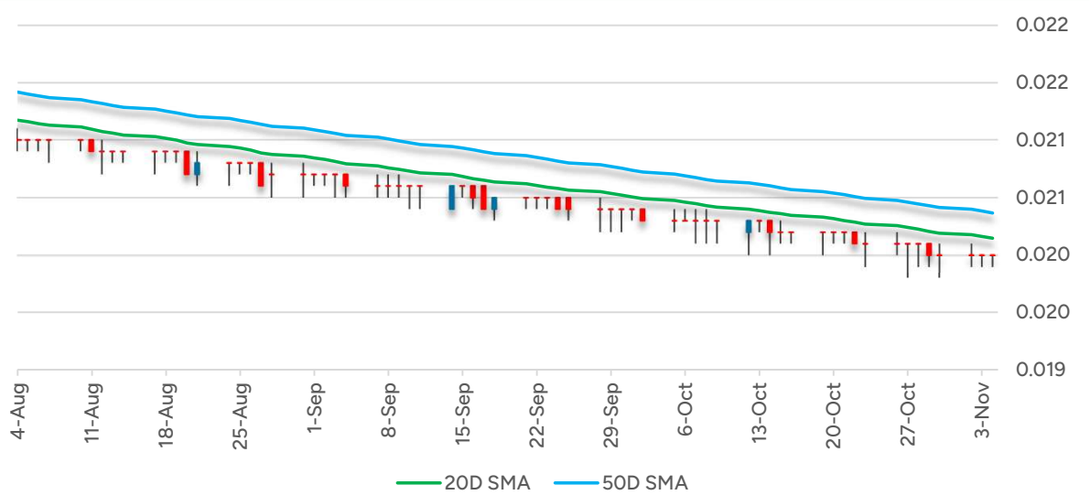
POUND STERLING



CLOSE	1M %chg	3M %chg
1.3471	1.91%	0.04%

GBP/USD-Steady near Wed highs ahead of BoE rate decision
05 Nov 2026 06:58:28 AM
* GBP/USD supported in Asia after gaining 0.45% Wed on broadly weaker USD
* Hovers near 7-week high of 1.3502 hit after Democrats swept US midterms
* Boosted by lower oil on hopes for an end to the US-Iran war; US crude -1%
* Prospect of US government spending curbs lowers US yields, supporting GBP
* Focus shifts to BoE rate decision Thu, 25 bps hike to 4% fully priced in
* BoE vote split, Monetary Policy Report, guidance key for policy clues
* 61.8% Fibo of Aug-Oct drop at 1.3469 overcome, opens test of 1.3548
* Interim resistance 1.3500-05, 1.3525-30, support 1.3450-55, 1.3400-05
* Wednesday range 1.3412-1.3502, Asia 1.3474-1.3491

TURKISH LIRA

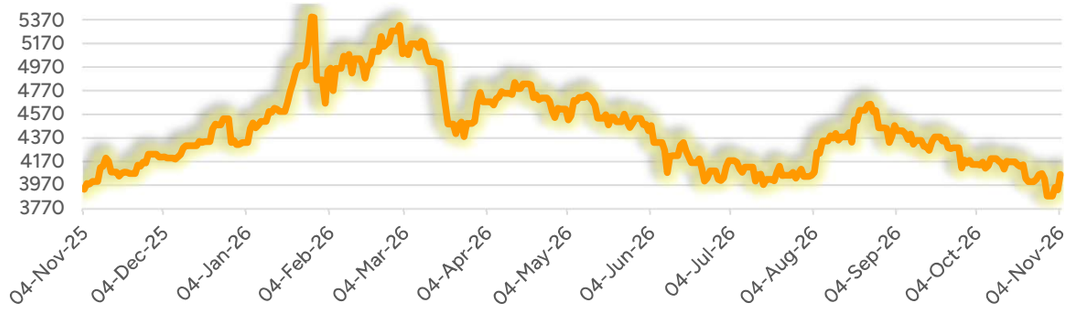


CLOSE	1M %chg	3M %chg
0.0200	-1.48%	-4.76%

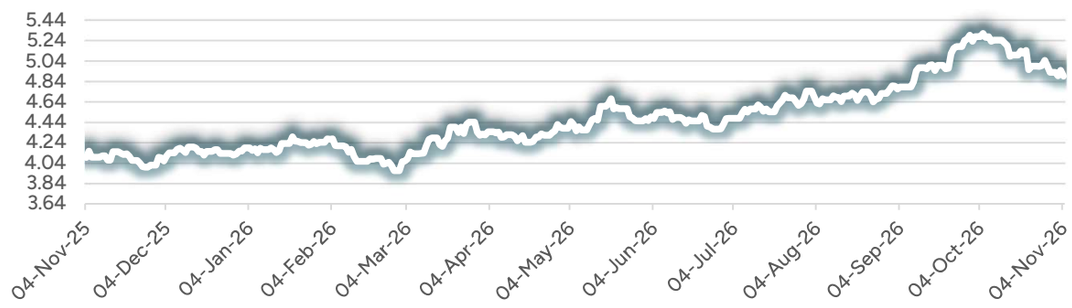
Turkish inflation rises to 2.58% in October, driven by clothing and food prices
03 Nov 2026 11:34:52 AM
ISTANBUL, Nov 3 (Reuters) - Turkish consumer price inflation climbed to 2.58% month-on-month in October, above expectations and driven by clothing and food price rises, while the annual figure was 29.77%, data from the Turkish Statistical Institute showed on Tuesday. Clothing and footwear prices surged 12.58% during the month, while food prices rose 3.5% and transport prices were up 2.02%. In September, consumer prices rose 1.84% month-on-month and 29.73% year-on-year, below forecasts. The lira TRYTOM=D3 stood at 49.9975 against the dollar after the data, compared with a close of 49.9725 on Monday.

Gold, US Treasury & Dollar Index

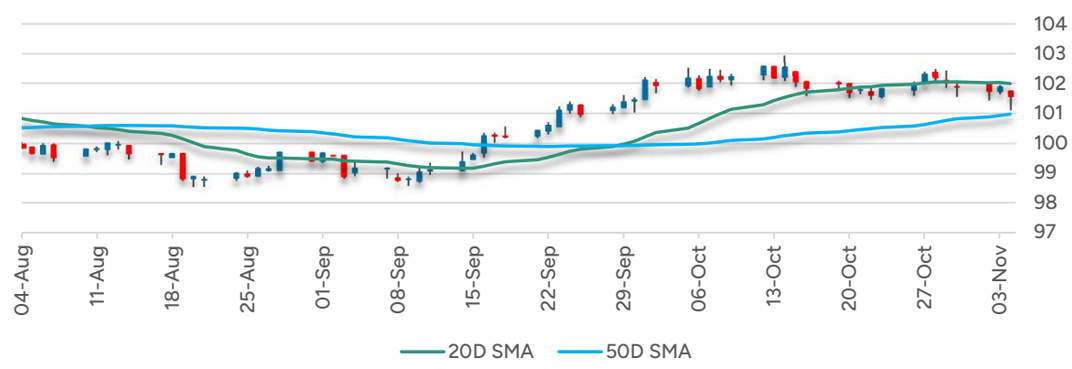
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD	1M %chg	3M %chg
4.85	-8.74%	4.98%

PRECIOUS-Gold hits a two-week high as dollar, Treasury yields ease after US midterm elections

05 Nov 2026 07:45:51 AM

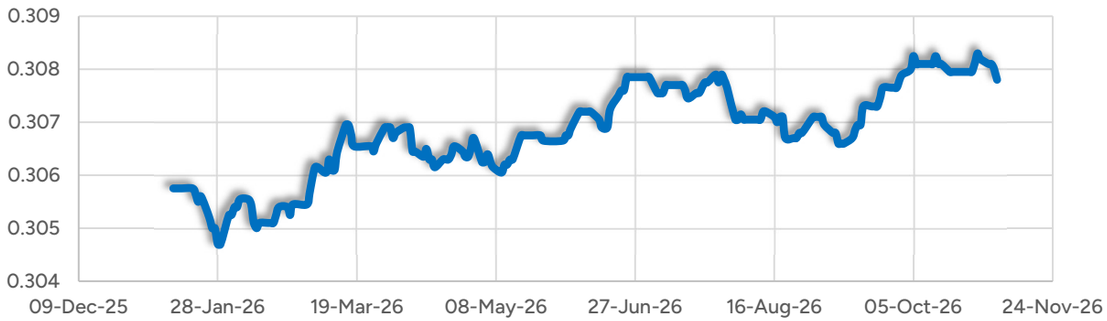
Nov 5 (Reuters) - Gold prices climbed nearly 2% to a two-week high on Thursday, supported by a weaker US dollar and lower US Treasury yields in the wake of a Democratic midterm election wave. Spot gold XAU=rose 1.9% to $4,134.83 per ounce by 0316 GMT, hitting its highest since October 22. Bullion climbed about 3.4% on Wednesday, its biggest daily gain since August 19. US gold futures GCcv1 for December delivery climbed 1.8% to $4,144.20. A weaker dollar and lower Treasury yields have helped gold recover above the key $4,000 level, though holding above that threshold remains crucial for the recovery outlook, said Linh Tran, market analyst at XS.com. Higher interest rates increase the opportunity cost of holding non-yielding bullion, reducing its appeal to investors. Among other metals, spot silver XAG=rose 1.7% to $53.12 per ounce, platinum XPT= gained 2.1% to $1,527.65 and palladium XPD= climbed 2.6% to $1,030.14.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
S&P Global Comp Op Final SA	JP	05/Nov 03:30	Oct	52.3	
S&P Global SVC PMI Final SA	JP	05/Nov 03:30	Oct	52	
S&P GLOBAL PMI: MSC COMPOSITE -	GB	05/Nov 12:30	Oct	51.5	
BOE Bank Rate	GB	05/Nov 15:00	Nov	3.75%	4.00%
Initial Jobless Clm	US	05/Nov 16:30	W 31 Oct	194k	196k
Nat Gas-EIA Implied Flow	US	05/Nov 18:30	W 30 Oct	80Bn	
Lloyds House Prices MM	GB	06/Nov 10:00	Oct	0.00%	0.10%
U Mich Sentiment Prelim	US	06/Nov 18:00	Nov	48	48
Current Account Bal SA	JP	10/Nov 02:50	Sep	2979.39Bn¥	
Current Account NSA JPY	JP	10/Nov 02:50	Sep	4062Bn¥	
Trade Bal Cust Basis SA	JP	10/Nov 02:50	Sep	-485.18Bn¥	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1193	1.1272	1.1183	1.1227	0.30%
GBP	1.3411	1.3503	1.3404	1.3471	0.45%
JPY	158.66	158.74	157.39	158.42	-0.15%
TRY	0.02	0.02	0.0199	0.02	0.00%
Dollar Idx	101.734	101.734	101.099	101.566	-0.30%
Brent	104.23	104.96	93.22	94.62	-8.67%
WTC	97.95	98.01	90.63	91.73	-7.94%
Gold	3928.19	4070.32	3919.0911	4059.74	3.35%
KWSE Index	8435.26	8489.6	8433.47	8477.67	0.56%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.94	3M	3.56
SW	3.31	6M	3.81
1M	3.38	1Y	4.00

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE	3M% CHG
0.30785	0.24%

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	4.17
3M	4.05	1Y	4.38

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

US services sector activity cools slightly in October; inflation remains elevated

WASHINGTON, Nov 4 (Reuters) - US services sector growth slowed marginally in October amid a moderation in new orders, but supply chains remained strained, keeping prices for inputs elevated. The Institute for Supply Management said on Wednesday its nonmanufacturing Purchasing Managers' Index dipped to 54.5 last month from 54.9 in September. A reading above 50 indicates growth in the services sector, which accounts for more than two-thirds of US economic activity. Economists polled by Reuters had forecast the PMI little changed at 54.8.

Bank of England poised to hike rates for first time in 3 years

LONDON, Nov 5 (Reuters) - The Bank of England is widely expected to raise interest rates for the first time in three years on Thursday due to mounting inflation pressures from the US-Iran war, taking a path already embarked on by all its main peers. Economists polled by Reuters expect the BoE's Monetary Policy Committee to vote 7-2 to raise Bank Rate to 4% from 3.75%, the first increase since August 2023, when inflation was over 6%, and the first change in rates since a cut last December. Finance minister John Healey's first annual budget last week did little to shift the outlook for growth or inflation either.

Euro zone wage growth to rebound slightly next year, ECB says

FRANKFURT, Nov 4 (Reuters) - Wage growth in the euro zone is likely to rebound slightly in the first nine months of next year based on the latest pay deals, the ECB said. The ECB, which kept interest rates steady last week but hinted at a hike at its next meeting, is on the lookout for any sign that the recent, energy-fuelled rise in inflation is spreading to salaries. Its headline wage tracker, which covers active collective bargaining agreements, put pay hikes at 2.7% in the second half of this year. Excluding one-off payments, the ECB's wage tracker increased from 2.6% in 2026 to 2.8% for first three quarters of 2027.

Japan services activity expands for fifth month, PMI shows

TOKYO, Nov 5 (Reuters) - Japan's service sector expanded modestly in October as activity and new orders both rose slightly faster, a business survey showed on Thursday. The S&P Global final Japan Services Purchasing Managers' Index (PMI) edged higher to 51.7 in October from 51.3 in September, a survey by S&P Global showed, marking a fifth straight month of expansion but coming in below the flash reading of 52.0. The 50-mark separates growth from contraction. In contrast, foreign demand remained weak, though the decline in new export orders eased to its slowest since April.

Philippine inflation hits more than three-year high of 7.8% in October

MANILA, Nov 5 (Reuters) - Philippine annual inflation accelerated to its highest level since 2023 in October, driven by higher transport and utility costs, strengthening the case for more policy tightening after the central bank's larger-than-expected rate hike last month. Inflation quickened to 7.8% in October, the highest since February 2023, from 7.2% in September, the statistics agency said on Thursday. Core inflation, which strips out volatile food and energy prices, climbed to a more-than-three-year high of 5.4% from the revised 4.8%, pointing to broader price pressures that could add to the central bank's concerns.

Oil falls for a fourth day on expectations for lower risk of Iran war escalation

SINGAPORE, Nov 5 (Reuters) - Oil prices fell for a fourth day on expectations the losses US President Donald Trump's Republican Party suffered in Congressional elections this week may reduce the risk of further escalation of the US-Israeli war on Iran. Brent futures fell 80 cents, or 0.85% to $93.82 a barrel, while US West Texas Intermediate crude futures were down $1.2, or 1.36%, to $86.92. Both benchmarks tumbled by more than 8% in the previous session to settle at their lowest since August 31. Despite the recent drop in oil prices, escalation is likely to produce a sharper increase into a band of $110 to $125 per barrel for Brent, Eurasia Group said in a note.

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