

Market Commentary

KFH Treasury

Report produced on
11-Dec-2025



Forex Market

JAPANESE YEN



CLOSE **156.01** 1M %chg **1.21%** 3M %chg **5.99%**

USD/JPY falls some more post-FOMC, JPY crosses follow

11 Dec 2025 08:08:08 AM

- * USD/JPY off after neutral-dovish Fed, market priced for hawkish cut
- * Pair down 156.93 to 155.80 yesterday, Asia today 156.01 to 155.50 EBS
- * Spot below 155.93-156.58 ascending hourly Ichimoku cloud, 155.65 200-DMA
- * To area of 155.65 daily Ichimoku tenkan, kijun 155.36 below
- * Some Japanese importer, investment trust demand at lows
- * More support around 155.00 on massive option expiries today around strike
- * Massive expiries today above too at 156.00

EURO



CLOSE **1.1694** 1M %chg **0.98%** 3M %chg **-0.33%**

EUR/USD ticks up before easing back, EUR crosses mixed

11 Dec 2025 07:28:01 AM

- * EUR/USD up to 1.1707 early before pushing back to 1.1695 EBS
- * Clears top of 1.1591-1.1693 daily Ichimoku cloud if only barely
- * ECB on hold, Lagarde-talk that growth outlook could be hiked supportive
- * More upside seen possible, resistance from @1.1700, at 1.1728 high Oct 17
- * Massive E3 bln+ in option expiries today between 1.1700-50 to help cap
- * Option expiries to downside too, massive between 1.1600-75, supportive

Forex Market



POUND STERLING



CLOSE

1.3382

1M %chg

1.76%

3M %chg

-1.40%

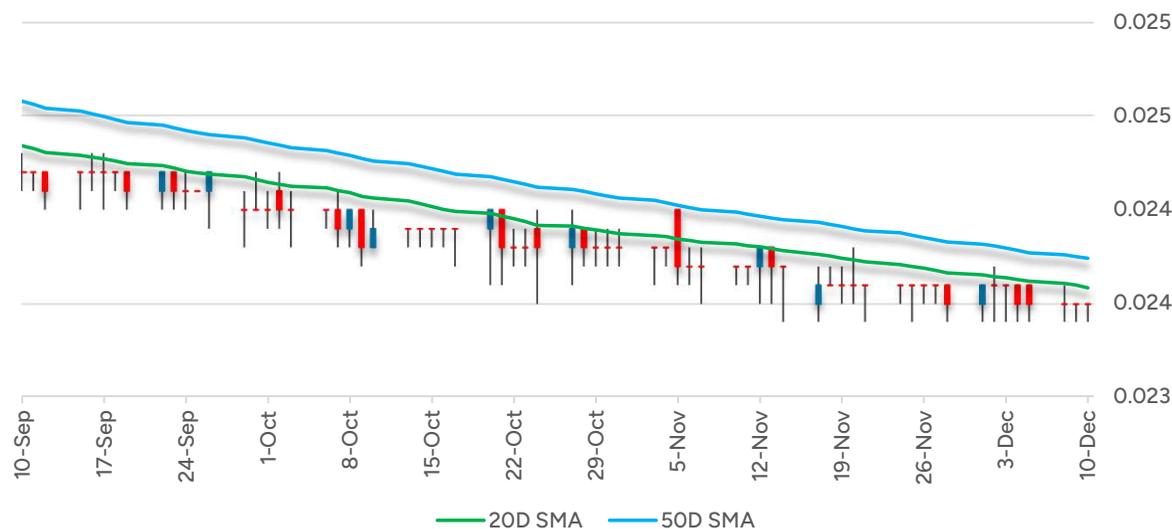
GBP/USD-Consolidates after rallying to 7-week high

11 Dec 2025 07:03:14 AM

- * GBP/USD consolidates after rising to a 7-week high of 1.3391 in Asia
- * Boosted by Fed's modestly hawkish guidance after a 25 bps rate cut
- * U.S. yields slip as Fed not as hawkish as markets feared, weighing on USD
- * Focus shifts to UK monthly GDP on Friday, BoE rate decision on Dec 18
- * Bank of England rate-setters stay divided on policy ahead of decision
- * Traders pricing in around a 90% chance of a rate cut next week
- * Asia range 1.3375-1.3391, Wed range 1.3297-1.3389



TURKISH LIRA



CLOSE

0.0235

1M %chg

-0.84%

3M %chg

-2.89%

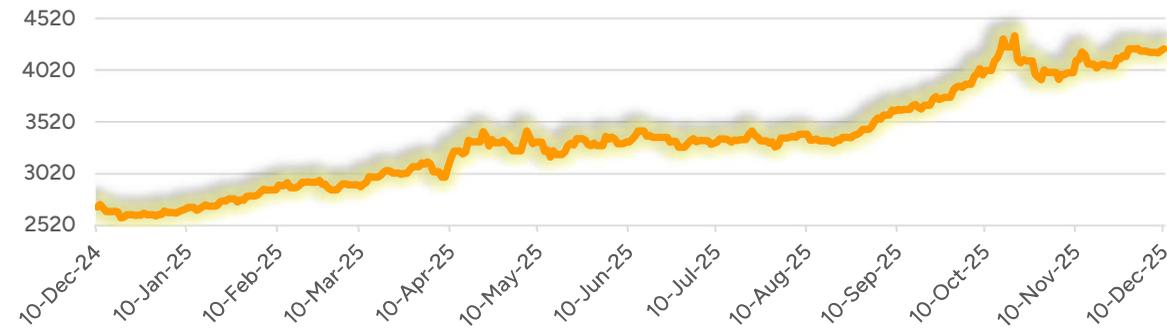
Turkey to log \$230 mln current account surplus in October

10 Dec 2025 12:12:57 PM

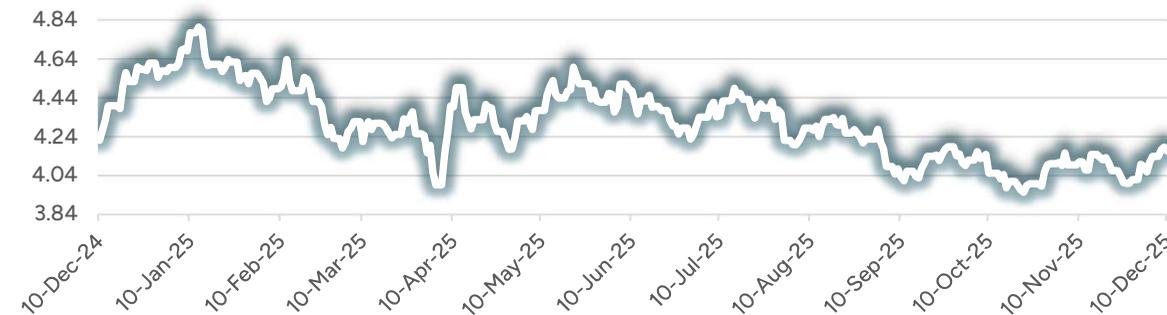
ANKARA, Dec 10 (Reuters) - Turkey's current account is expected to record a surplus of \$230 million in October, while the deficit was seen at \$22 billion at end-2025, a Reuters poll showed on Wednesday. Forecasts by seven economists for the October current account surplus were up to \$920 million. Turkey's foreign trade deficit, which constitutes a major part of the current account balance, widened 27.6% year-on-year in October to stand at \$7.58 billion. The January-October deficit stood at \$74.68 billion. The median of the current account deficit forecasts for 2025 was \$22 billion with estimates ranging from \$19.7 billion to \$23 billion.

Gold, US Treasury & Dollar Index

GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.14

1M %chg

0.71%

3M %chg

3.19%

RECIIOUS-Gold edges lower after a divided Fed cuts rates; silver hits record high

11 Dec 2025 08:02:00 AM

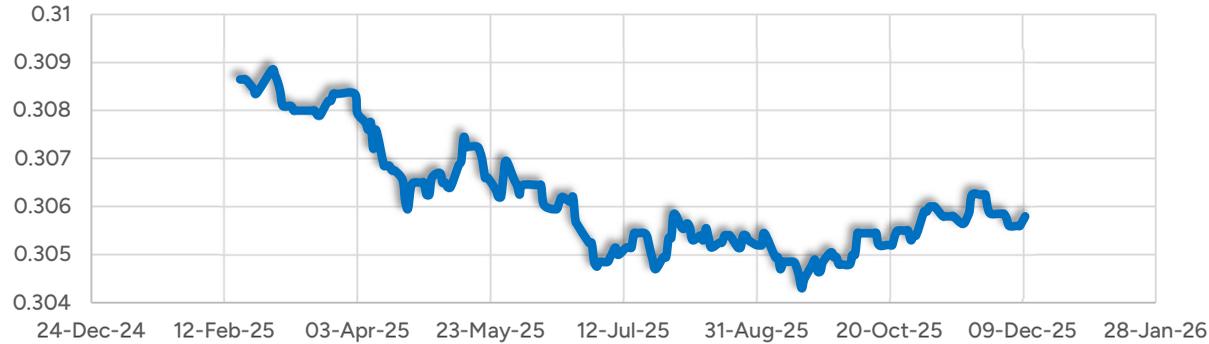
Dec 11 (Reuters) - Gold eased on Thursday, pulling back from a near one-week high, after the U.S. Federal Reserve delivered a divided interest rate cut that left investors uncertain about the pace of easing next year, while silver notched another record high. Spot gold XAU= fell 0.2% to \$4,221.49 per ounce, touching its highest since December 5 earlier in the session. U.S. gold futures GCcv1 for February delivery gained 0.6% to \$4,249.70 per ounce. The Fed delivered a 25-basis-point rate cut in a divided vote on Wednesday but signalled that borrowing costs may not fall further as it waits for clearer signs of a cooling labour market and inflation that "remains somewhat elevated." Spot silver XAG= rose 0.8% to \$62.25 per ounce after hitting a record high of \$62.88 earlier in the session, bringing its year-to-date gain to 113% on strong industrial demand, falling inventories and its addition to the U.S. critical minerals list.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Initial Jobless Clm	US	11/Dec 16:30	W 06 Dec	191k	220k
Nat Gas-EIA Implied Flow	US	11/Dec 18:30	W 05 Dec	-12Bn	
GDP Est 3M/3M	GB	12/Dec 10:00	Oct	0.10%	0.00%
GDP Estimate MM	GB	12/Dec 10:00	Oct	-0.10%	0.10%
GDP Estimate YY	GB	12/Dec 10:00	Oct	1.10%	1.40%
Manufacturing Output MM	GB	12/Dec 10:00	Oct	-1.70%	1.00%
Services MM	GB	12/Dec 10:00	Oct	0.20%	0.00%
Services YY	GB	12/Dec 10:00	Oct	1.70%	1.70%
Tankan All Big Capex Est	JP	15/Dec 02:50	Q4 2025	12.50%	
Tankan All Sm Capex Est	JP	15/Dec 02:50	Q4 2025	-2.30%	
Tankan Big Mf Idx	JP	15/Dec 02:50	Q4 2025	14	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1625	1.1699	1.162	1.1694	0.59%
GBP	1.3301	1.3388	1.3292	1.3382	0.65%
JPY	156.84	156.93	155.78	156.01	-0.54%
TRY	0.0235	0.0235	0.0234	0.0235	0.00%
Dollar Idx	99.215	99.256	98.592	98.786	-0.44%
Brent	62.11	62.73	61.35	62.21	0.44%
WTC	58.51	58.72	57.81	58.67	0.46%
Gold	4209.34	4238.49	4181.09	4227.99	0.44%
KWSE Index	9016.64	9027.46	8974.23	9015	0.06%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.13	3M	3.81
SW	3.38	6M	4.00
1M	3.63	1Y	4.19

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30585

3M% CHG

0.31%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	18/Sep/'25	3.38	3.63	-0.25
1W Repo Rate	18/Sep/'25	3.63	3.88	-0.25
1M Repo Rate	18/Sep/'25	3.88	4.13	-0.25
KWD ON Rate	18/Sep/'25	10.00	10.00	0.00
Discount Rate	18/Sep/'25	3.75	4.00	-0.25

SOFR RATES

Tenor	Value	Tenor	Value
1M	3.76	6M	3.68
3M	3.74	1Y	3.54

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	10/Dec/'25	3.75	4.00	-0.25
ECB Refinancing Rate	30/Oct/'25	2.15	2.15	0.00
BOE Bank Rate	19/Jun/'25	4.25	4.25	0.00
BOJ Prime Rate	10/Dec/'25	2.60	2.45	0.15
TRY ON Lending Rate	23/Oct/'25	42.50	43.50	-1.00

KEY INTERNATIONAL STORIES

US labor cost growth slows in third quarter as labor market conditions soften

WASHINGTON, Dec 10 (Reuters) - U.S. labor costs increased slightly less than expected in the third quarter as a softening labor market curbed wage growth, which bodes well for the inflation outlook. The report from the Labor Department on Wednesday followed on the heels of data on Tuesday showing resignations dropped to a five-year low in October. That data supported views by Fed officials that the labor market was not a source of inflation. The labor market is easing amid low supply and demand for workers, which economists blame on reduced immigration and import tariffs.

UK's Reeves vents her frustration at leaks of her budget

LONDON, Dec 10 (Reuters) - British finance minister Rachel Reeves condemned leaks about key details of her November 26 budget that appeared in media before her annual tax and spending statement to parliament. Britain's government bond market was rocked by a Financial Times story on November 13 that said Reeves had U-turned on a planned rise in income tax rates. Reeves told parliament's Treasury Committee that the leak to the FT was not the result of an authorised private briefing and presented what she regarded as a partial and inaccurate view of her budget strategy.

Bank of Canada holds rates, says economy looks better than expected despite tariffs

OTTAWA, Dec 10 (Reuters) - The Bank of Canada held its key policy rate steady at 2.25% on Wednesday as widely expected, and Governor Tiff Macklem said the economy was proving resilient overall to the effect of U.S. trade measures. Despite tariffs between 25% and 50% on some critical sectors such as cars, lumber, aluminum and steel, Canada's economy has shown signs of strength. Third quarter annualized GDP grew by 2.6%, much more than expected, while employment data showed the economy added 181,000 new jobs between September and November.

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China's deflationary strains persist even as consumer inflation hits 21-month high

BEIJING, Dec 10 (Reuters) - China's annual consumer inflation accelerated to a 21-month peak in November, mainly driven by food prices, while factory-gate deflation deepened, with underlying trends suggesting domestic demand remains weak and unlikely to recover in the near term. The consumer price index (CPI) rose 0.7% from a year earlier, National Bureau of Statistics data showed, matching a 0.7% expansion in a Reuters poll of economists. It had increased 0.2% in October. The pickup in consumer inflation was mainly driven by rising food prices, which increased 0.2% year-on-year after dropping 2.9% in October.

Brazil's annual inflation slows to lowest in over a year before rate decision

SAO PAULO, Dec 10 (Reuters) - Brazil's 12-month inflation slowed in November to its lowest level in more than a year, data from statistics agency IBGE showed on Wednesday, undershooting market forecasts ahead of the central bank's final policy decision of 2025. Annual inflation stood at 4.46% last month, down from 4.68% in October, marking the lowest since September 2024 and below the 4.49% forecast by economists polled by Reuters. Brazil's central bank is widely expected to hold its benchmark interest rate at a near two-decade high of 15% for the fourth time in a row later on Wednesday.

Oil little changed as investor focus returns to Ukraine peace talks

SINGAPORE, Dec 11 (Reuters) - Oil prices were broadly stable on Thursday as investors shifted their focus back to Russia-Ukraine peace talks while watching for any fallout from a U.S. seizure of a sanctioned tanker off the coast of Venezuela. Brent crude futures LCOc1 dipped 5 cents, or 0.08%, to \$62.16 a barrel, while U.S. West Texas Intermediate crude CLc1 was down 1 cent, or 0.02%, at \$58.45 a barrel. The benchmarks settled higher a day earlier after the U.S. said it seized an oil tanker off the coast of Venezuela, as escalating tensions between the two countries raised concerns about supply disruptions.