

Market Commentary

KFH Treasury

Report produced on
12-Jan-2026



Forex Market

JAPANESE YEN



CLOSE
157.88

1M %chg
1.33%

3M %chg
4.45%

USD/JPY-Recovers after falling on fears for Fed autonomy

12 Jan 2026 08:04:36 AM

- * USD/JPY unchanged in Asia, recovers after 0.4% drop on Trump-Powell conflict
- * Early rally to 1-yr high of 158.2050 fades on fear of Japanese intervention
- * News of criminal probe into Fed chair Powell accelerates drop to 157.53 low
- * Powell says Trump administration has threatened him with criminal indictment
- * Row casts doubt on Fed autonomy, odds of next Chair toeing the line increase
- * Reports that Japanese PM Takaichi may call early election weaken JPY
- * Res 158.20-30, 158.85-90, support 157.40-50; markets in Japan closed Mon

EURO



CLOSE
1.1637

1M %chg
-0.88%

3M %chg
0.16%

EUR/USD rallies on rising threat to Fed independence

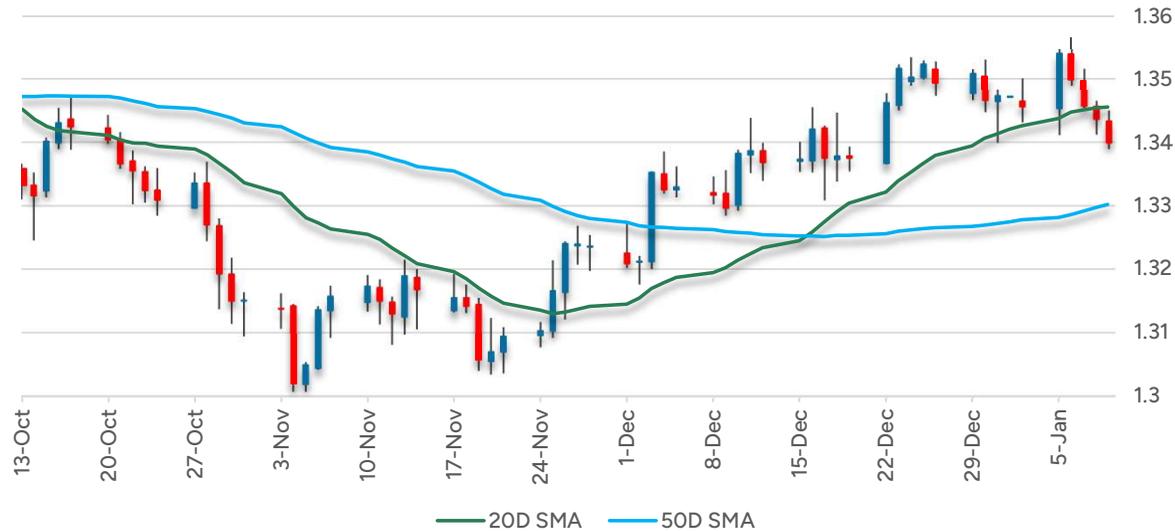
12 Jan 2026 07:29:10 AM

- * EUR/USD +0.2% Mon as USD softens on renewed concerns for Fed independence
- * Pair back above 1.1646 55-DMA, looks set to break 4-day losing streak
- * Fed's Powell served subpoenas threatening criminal indictment over testimony
- * Says broader issue is risk of political pressure/intimidation in setting FFR
- * U.S. Dec CPI updates due Tue, Reuters poll consensus +0.3% m/m, +2.7% y/y
- * U.S. Supreme Court may now issue ruling on Trump's tariffs Jan 14
- * Range Asia 1.162175-7175, support 1.1490 1.1470, resistance 1.1820 1.19185

Forex Market



POUND STERLING



CLOSE

1.3399

1M %chg

0.23%

3M %chg

0.31%

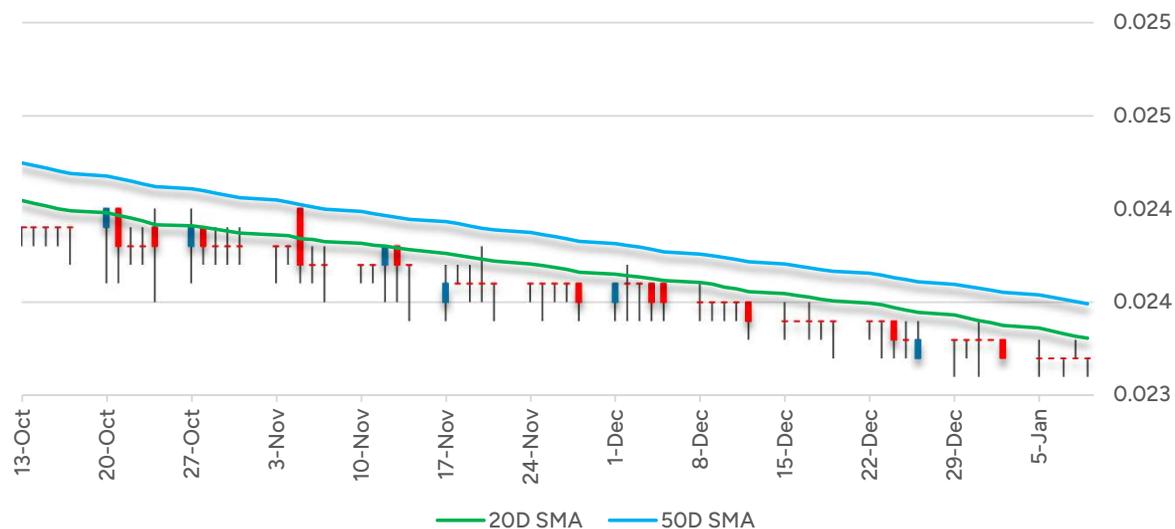
COMMENT-Sterling bulls survive post-payroll test of 1.34 support, for now

09 Jan 2026 07:19:49 PM

GBP/USD is likely to remain range-bound, oscillating between established support and resistance levels as traders await new catalysts after Friday's mostly in-court U.S. payroll data did little to shift Fed policy expectations. Currently trading at 1.3418, the pair found support at 1.3400 after mixed payroll data showed a slight dip in headline non-farm payrolls growth, an increase in earnings and a drop in the unemployment rate from 4.5% to 4.4%. Technical indicators present a nuanced outlook. The 200-DMA at 1.3390 provides underlying support, while the 10-DMA at 1.3478 represents short-term resistance. Traders should also note that immediate resistance is evident at the Bollinger Band Upper level of 1.3586, just above the recent trend high at 1.3657.



TURKISH LIRA



CLOSE

0.0232

1M %chg

-0.85%

3M %chg

-2.93%

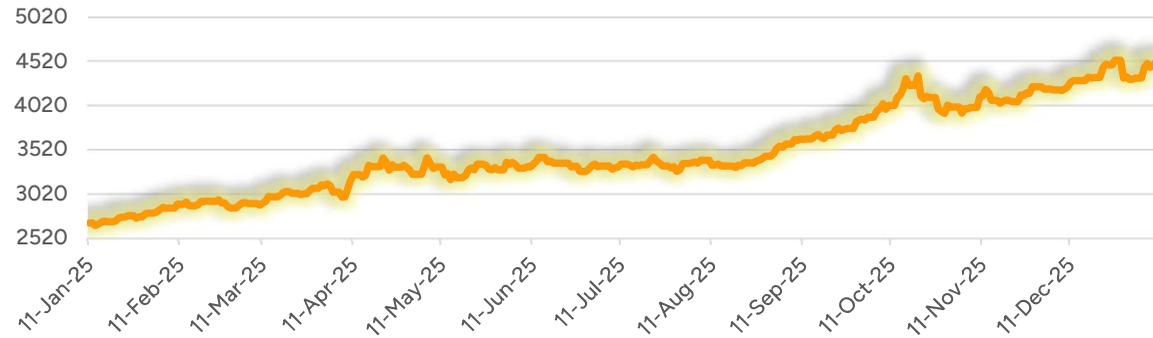
Turkey - Factors to Watch

12 Jan 2026 08:16:04 AM

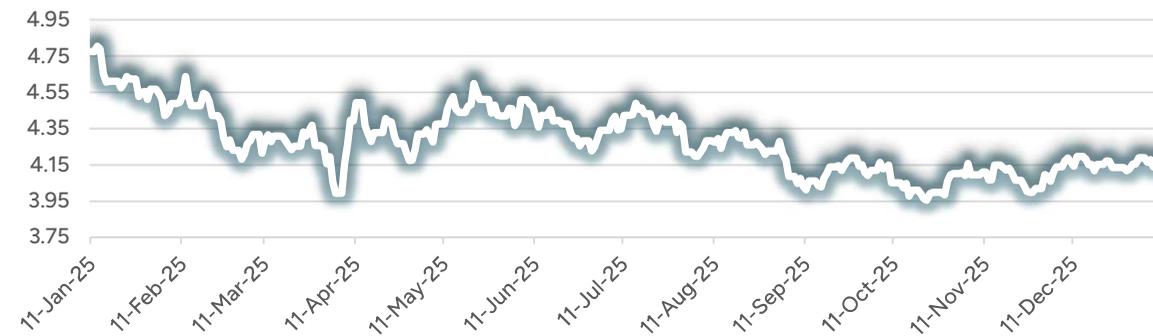
ISTANBUL, Jan 12 (Reuters) - The lira TRYTOM=D3 was quoted at 43.1000-43.1640 against the U.S. dollar after closing at 43.15500 on Friday. The main BIST 100 share index .XU100 closed 0.93% higher on Friday at 12,200.95 points. The Treasury will tap 2-year government bonds and issue new 5-year inflation-indexed government bonds.

Gold, US Treasury & Dollar Index

GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.17

1M %chg

-0.60%

3M %chg

2.96%

PRECIOUS-Gold, silver notch record highs on safe-haven demand, Fed rate-cut bets

12 Jan 2026 06:43:50 AM

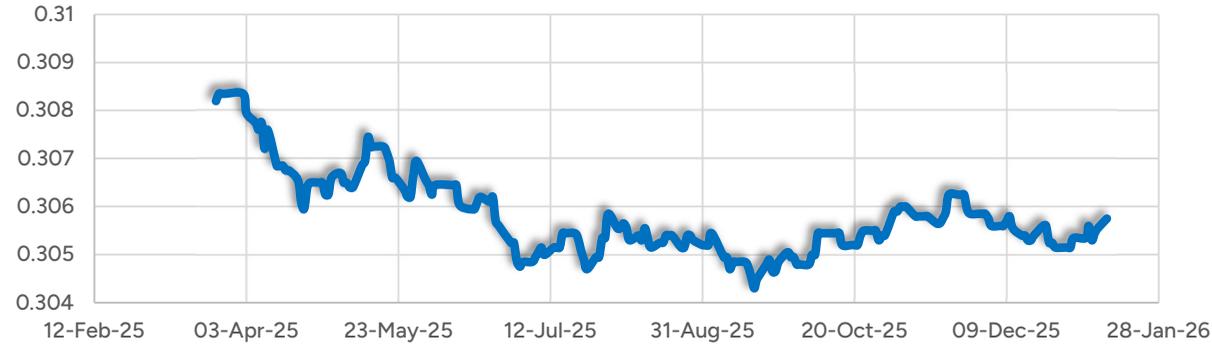
Jan 12 (Reuters) - Gold prices broke through the \$4,600 per-ounce level on Monday for the first time, while silver also jumped to a record high, bolstered by geopolitical and economic uncertainties and growing bets of U.S. interest rate cuts. Spot gold XAU= jumped 1.3% to \$4,469.49 per ounce. Bullion hit a record high of \$4,600.33 earlier in the day. U.S. gold futures GCc1 for February delivery firmed 2% to \$4,591.10. U.S. employment growth slowed more than expected in December, data showed on Friday, amid job losses in the construction, retail and manufacturing sectors. However, a decline in the unemployment rate suggested the labour market was not rapidly deteriorating. Investors currently expect at least two Federal Reserve rate cuts this year. A softer job market makes rate cuts more likely. Spot silver XAG= was up 3.5% at \$82.72 per ounce, after hitting an all-time high of \$83.96 earlier in the day.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
CPI MM, SA	US	13/Jan 16:30	Dec	0.30%	0.30%
CPI Wage Earner	US	13/Jan 16:30	Dec	317.414	
CPI YY, NSA	US	13/Jan 16:30	Dec	2.70%	2.70%
Core CPI MM, SA	US	13/Jan 16:30	Dec	0.20%	0.30%
Core CPI YY, NSA	US	13/Jan 16:30	Dec	2.60%	2.70%
New Home Sales-Units	US	13/Jan 18:00	Oct	0.8Mn	
Reuters Tankan N-Man Idx	JP	14/Jan 02:00	Jan	33	
Broad Money	JP	14/Jan 02:50	Dec	2238.9Tn¥	
M2 Money Supply	JP	14/Jan 02:50	Dec	12800258¥	
PPI Machine Manuf'ing	US	14/Jan 16:30	Oct	192.2	
Retail Sales MM	US	14/Jan 16:30	Nov	0.00%	0.40%

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1658	1.1662	1.1617	1.1637	-0.18%
GBP	1.3433	1.345	1.3389	1.3399	-0.28%
JPY	156.87	158.18	156.8	157.88	0.64%
TRY	0.0232	0.0232	0.0231	0.0232	0.00%
Dollar Idx	98.912	99.264	98.896	99.133	0.20%
Brent	62.6	63.92	61.83	63.34	2.18%
WTC	58.09	59.57	57.97	58.96	2.11%
Gold	4475.71	4516.99	4452.0698	4509.79	0.76%
KWSE Index	8835.16	8838.69	8790.84	8791.02	-0.53%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	1.94	3M	3.56
SW	3.13	6M	3.75
1M	3.38	1Y	3.88

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30580

3M% CHG

0.10%

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	3.67	6M	3.59
3M	3.65	1Y	3.44

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	18/Dec/'25	2.15	2.15	0.00
BOE Bank Rate	19/Jun/'25	4.25	4.25	0.00
BOJ Prime Rate	09/Jan/'26	2.75	2.60	0.15
TRY ON Lending Rate	11/Dec/'25	41.00	42.50	-1.50

KEY INTERNATIONAL STORIES

US job growth stuck at stall speed in December; unemployment rate dips to 4.4%

WASHINGTON, Jan 9 (Reuters) - U.S. employment growth slowed more than expected in December amid job losses in the construction, retail and manufacturing sectors, but a decline in the unemployment rate to 4.4% suggested the labor market was not rapidly deteriorating. The Labor Department's closely watched employment report on Friday also showed solid wage growth last month, bolstering economists' expectations the Federal Reserve would leave interest rates unchanged at its January 27-28 meeting. Nonfarm payrolls increased by 50,000 jobs last month.

German exports fall unexpectedly, industrial production rises

BERLIN, Jan 9 (Reuters) - German exports unexpectedly fell while industrial output ticked up in November, official data showed on Friday, highlighting both the challenges Europe's biggest economy faces globally and moderate improvement at home. German exports fell by 2.5% in November compared with the previous month, dragged down by declines in shipments to other European Union countries and the U.S., according to the federal statistics office. Analysts polled by Reuters had expected no change. German industrial orders climbed 5.6% on the previous month in November.

Canada job creation pauses after hiring surge, unemployment rate rises

OTTAWA, Jan 9 (Reuters) - Canada created just 8,200 net new jobs in December after three months of outsize gains and the unemployment rate rose to 6.8% from 6.5% as more people searched for work, Statistics Canada said on Friday. Analysts polled by Reuters had expected a net loss of 5,000 positions and the jobless rate to edge up to 6.6%. The Canadian dollar dipped to C\$1.3880 to the U.S. dollar, or 72.05 U.S. cents, from C\$1.3873, or 72.08 cents. The economy had added a total of 181,000 new jobs from September through November.

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Japan household spending unexpectedly picks up, signals steady consumption recovery

TOKYO, Jan 9 (Reuters) - Japanese annual household spending unexpectedly grew in November, government data showed on Friday, rebounding from a sharp decline in October and aligning with a gradual recovery in private consumption. Consumer spending rose 2.9% year-on-year, internal affairs ministry data showed, defying the median market forecast for a 0.9% drop. On a seasonally adjusted, month-on-month basis, spending jumped 6.2%, versus an estimated 2.7% rise, the fastest pace since March 2021, the data showed. The Bank of Japan (BOJ) raised its policy rate to a 30-year high of 0.75% from 0.5% last month.

Brazil's annual inflation ends 2025 within target range, rate cuts seen ahead

BRASILIA, Jan 9 (Reuters) - Brazil's annual inflation slowed more than the central bank and market had anticipated, data from statistics agency IBGE showed on Friday, ending 2025 within the official target range at 4.26% and reinforcing expectations for monetary easing ahead. Annual inflation cooled further in December, with the annual rate coming in below the 4.3% expected by economists in a Reuters poll and the 4.4% projected by the central bank last month. In December alone, consumer prices in Brazil rose 0.33%, slightly below the 0.35% expected by economists in the poll but accelerating from a 0.18% increase in November.

Oil edge up as Iran supply risk counters Venezuela export resumption

SINGAPORE, Jan 12 (Reuters) - Oil prices edged higher on Monday as escalating protests in Iran sparked concerns about supplies from the OPEC producer, while efforts to resume oil exports from Venezuela and expectations the market will be oversupplied this year limited gains. Brent crude futures LCOc1 climbed 5 cents to \$63.39 a barrel while U.S. West Texas Intermediate crude CLc1 was at \$59.16 a barrel, up 4 cents. Both contracts rose more than 3% last week to clinch their biggest weekly rise since October as Iran's clerical establishment intensified its crackdown on the biggest demonstrations since 2022.