

# Market Commentary

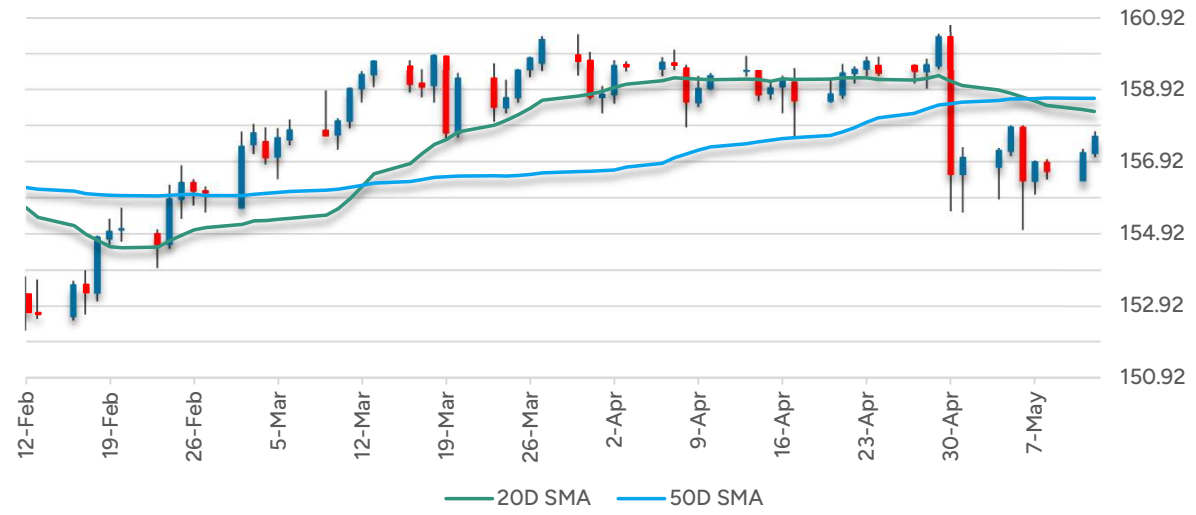
## KFH Treasury

Report produced on  
13-May-2026



# Forex Market

## JAPANESE YEN



CLOSE  
**157.61**

1M %chg  
**-1.15%**

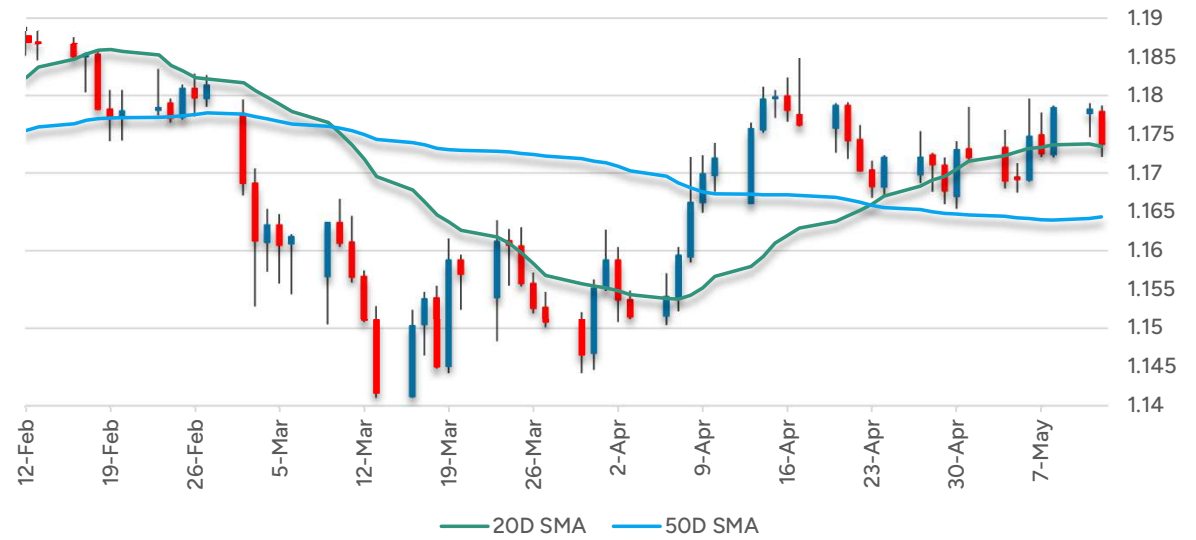
3M %chg  
**3.23%**

### USD/JPY holding on 157, bias up but intervention risk

13 May 2026 04:17:25 AM

- \* USD/JPY proving buoyant despite intervention risk, Asia 157.57-67 EBS so far
- \* Back to around middle of 156.28-158.82 daily Ichimoku cloud, 100-DMA 157.38
- \* 100-DMA looks to maybe work as pivot again, kijun above at 157.86
- \* Feeling 158 maybe the new 160, moves to and above could spur MOF/BOJ action
- \* Hourly chart shows sideways action, downside supported by renewed bids
- \* Japanese importers almost constant buyers into Tokyo fix, specs on dips
- \* Pop in US yields post-CPI saw short JGB-US Treasury rate differentials wider
- \* Differential at longer end of curve sideways, in 10s @188 bps vs 2s @257 bps

## EURO



CLOSE  
**1.1737**

1M %chg  
**-0.17%**

3M %chg  
**-1.10%**

### Most EUR pairs heavy, EUR/JPY in stasis in quiet Asia trade

13 May 2026 07:17:51 AM

- \* EUR/USD heavy in Asia, 1.1732-42 EBS, inside day, 1.1722-88 yesterday
- \* Back into tapering, 1.1573-1.1746 daily Ichimoku cloud
- \* 100 and 200-DMA below in cloud at 1.1708, 1.1683, likely supportive
- \* Trading quietly mostly below 200-HMA at 1.1740
- \* Plenty of nearby option expiries today, between 1.1700-50 total E3.3 bln
- \* Gravitational pull from these strikes to help contain spot action
- \* EUR/CHF also heavy, to 0.9159-64 EBS range, from 0.9175 high yesterday
- \* Back into its widening daily Ichimoku cloud between 0.9123-68

# Forex Market



## POUND STERLING



CLOSE

**1.3536**

1M %chg

**0.24%**

3M %chg

**-0.82%**

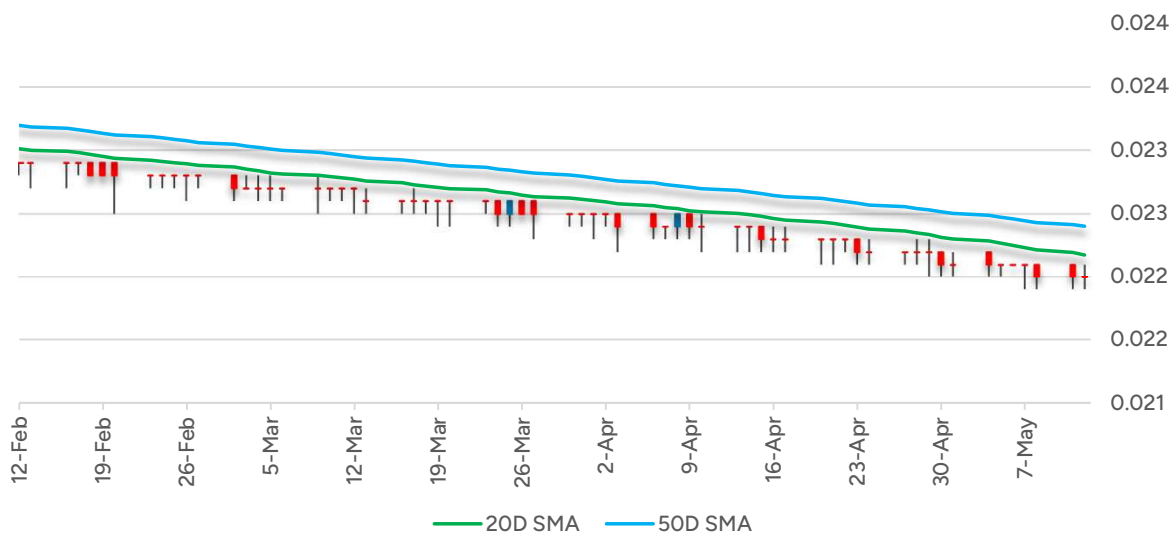
### GBP/USD-Subdued as Starmer fights off resignation calls

13 May 2026 07:21:34 AM

- \* GBP/USD steady in Asia after declining 0.5% Tuesday on UK politics
- \* PM Starmer vows to carry on governing, resisting pressure to quit
- \* Long-term British borrowing costs surged to their highest in nearly 30 years
- \* UK health minister Streeting to meet Starmer on Wednesday
- \* UK energy minister Miliband ready to run for Labour leadership- The Times
- \* Support 1.3500-05, 1.3470-80, resistance 1.3550-55, 1.3600-10
- \* Tuesday range 1.3500-1.3610, Asia range 1.3529-1.3546



## TURKISH LIRA



CLOSE

**0.0220**

1M %chg

**-1.79%**

3M %chg

**-3.93%**

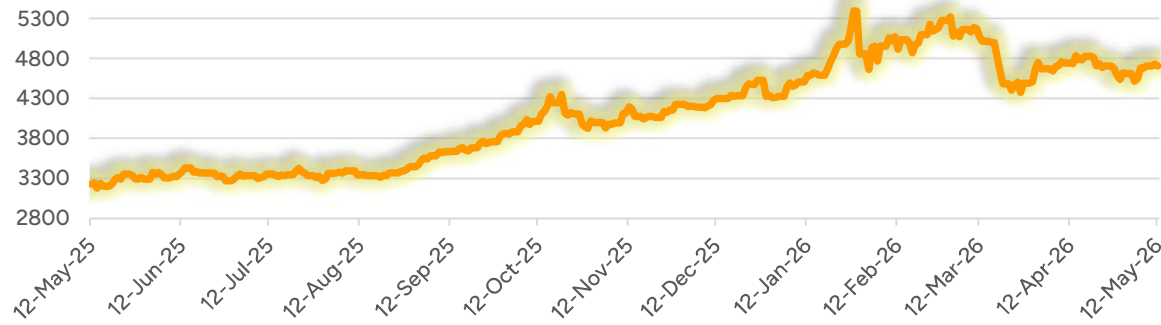
### Turkey - Factors to Watch

13 May 2026 08:36:46 AM

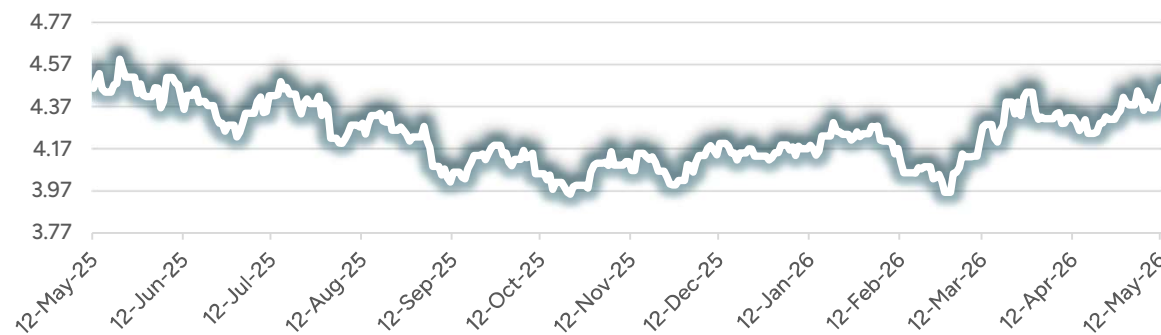
ANKARA, May 13 (Reuters) - The lira was quoted at 45.4100-45.4175 against the U.S. dollar, compared with a close of 45.3500 on Tuesday. The BIST 100 index closed 2.34% lower at 14,779.93 points on Tuesday.

# Gold, US Treasury & Dollar Index

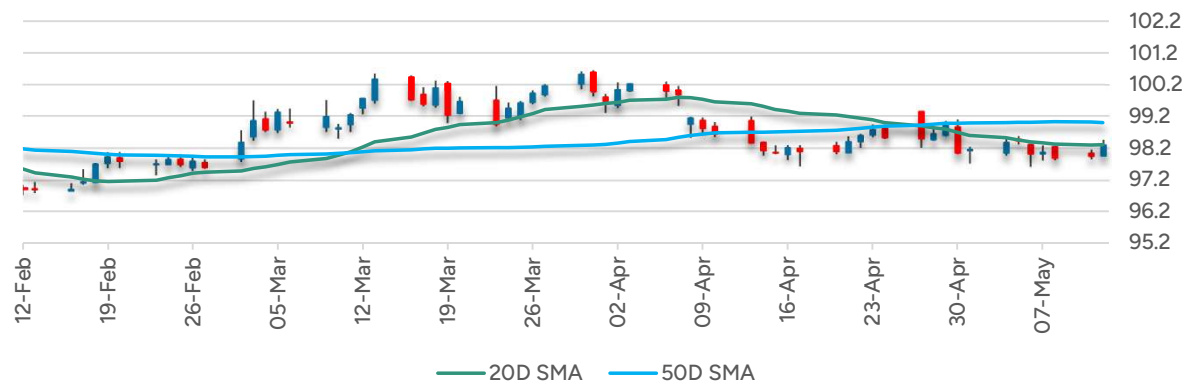
## GOLD



## 10Y US-TREASURY



## DOLLAR INDEX



US 10YT YIELD

**4.46**

1M %chg

**3.91%**

3M %chg

**10.08%**

### PRECIOUS-Gold slips as firm US inflation data weighs on Fed rate-cut hopes

13 May 2026 06:49:10 AM

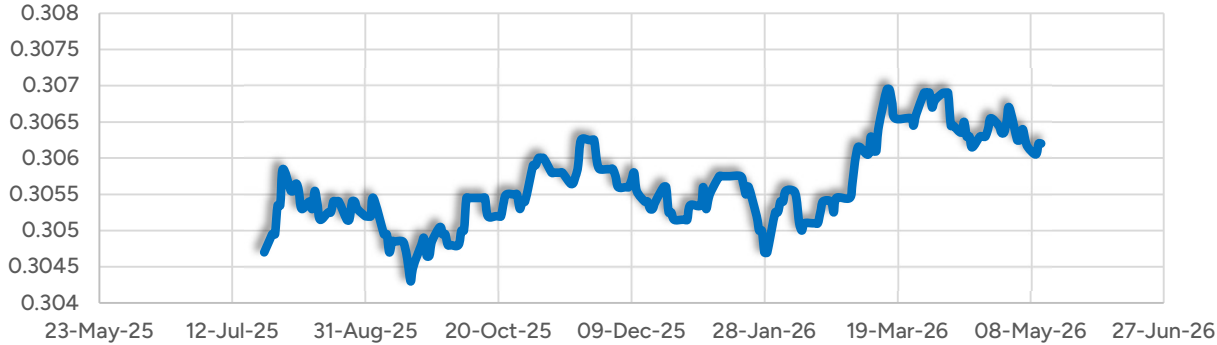
May 13 (Reuters) - Gold prices edged lower on Wednesday as uncertainty in the Middle East and stronger-than-expected U.S. inflation data dimmed hopes for Federal Reserve rate cuts. Spot gold fell 0.4% to \$4,695.99 per ounce. U.S. gold futures for June delivery gained 0.4% to \$4,705.30. Traders have largely priced out a Fed rate cut this year, with markets now seeing a 30% chance of a hike by December, according to CME Group's FedWatch tool. U.S. President Donald Trump said on Tuesday he does not think he will need China's help to end the war with Iran, even as hopes for a lasting peace deal dwindled and Tehran tightened its grip over the Strait of Hormuz. Meanwhile, India has raised import tariffs on gold and silver to 15% from 6% as part of efforts to curb overseas purchases of the metals and ease pressure on the country's foreign exchange reserves. Spot silver rose 0.2% to \$86.71 per ounce, after hitting its highest level since March 11 earlier in the session. Platinum slid 0.8% to \$2,109.53.

### UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Current Account Bal SA	JP	13/May 02:50	Mar	27090¥	
Current Account NSA JPY	JP	13/May 02:50	Mar	3932.7Bn¥	3879.4Bn¥
Trade Bal Cust Basis SA	JP	13/May 02:50	Mar	-3170.85¥	
GDP Flash Estimate QQ	EU	13/May 12:00	Q1 2026	0.10%	0.10%
GDP Flash Estimate YY	EU	13/May 12:00	Q1 2026	0.80%	0.80%
PPI Machine Manuf'ing	US	13/May 15:30	Apr	196.2	
Broad Money	JP	14/May 02:50	Apr	2280.3Tn¥	
M2 Money Supply	JP	14/May 02:50	Apr	12862053¥	
GDP Est 3M/3M	GB	14/May 09:00	Mar	0.50%	0.60%
GDP Estimate MM	GB	14/May 09:00	Mar	0.50%	-0.20%
GDP Estimate YY	GB	14/May 09:00	Mar	1.00%	0.70%

# Daily Market Report

## KWD - CBK FIX



## MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1779	1.1787	1.1721	1.1737	-0.38%
GBP	1.3613	1.3615	1.3498	1.3536	-0.52%
JPY	157.15	157.76	157.04	157.61	0.29%
TRY	0.022	0.0221	0.0219	0.022	0.00%
Dollar Idx	97.963	98.46	97.951	98.298	0.35%
Brent	104.23	108.45	104.23	107.77	3.42%
WTC	105.07	106.16	104.1	105.78	4.16%
Gold	4734.6973	4773.14	4637.6523	4713.6509	-0.43%
KWSE Index	8829.06	8853.15	8782.26	8784.28	-0.44%

## KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.38	3M	3.56
SW	3.25	6M	3.75
1M	3.38	1Y	3.94

## CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

**0.30625**

3M% CHG

**0.36%**

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	3.63	6M	3.66
3M	3.64	1Y	3.73

## 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/Apr/'26	2.15	2.15	0.00
BOE Bank Rate	00/Jan/'00	0.00	0.00	0.00
BOJ Prime Rate	08/May/'26	3.05	3.00	0.05
TRY ON Lending Rate	22/Jan/'26	40.00	41.00	-1.00

## KEY INTERNATIONAL STORIES

### US annual consumer inflation posts largest gain in three years as prices increase broadly

WASHINGTON, May 12 (Reuters) - U.S. consumer inflation increased further in April, with the annual rate posting its largest gain in three years, heightening political risks for President Donald Trump and his Republican party ahead of November's midterm elections. The CPI increased 0.6% last month after surging 0.9% in March, the Labor Department's Bureau of Labor Statistics said. Economists polled by Reuters had forecast the CPI rising 0.6%. Estimates ranged from a 0.4% gain to a 0.9% increase. A 3.8% increase in energy prices accounted for more than 40% of the rise in the CPI last month.

### UK consumers cut spending for first time since late 2024, Barclays card data shows

May 12 (Reuters) - British consumers, shaken by the widening economic fallout from the Iran war, cut their spending last month for the first time since November 2024 as they focused on essentials rather than leisure, a survey showed on Tuesday. Barclays said spending on its credit and debt cards fell by 0.1% in annual terms in April after a 0.9% increase in March. Its survey showed heavy declines in spending on hotels and travel. The BRC said retail sales fell by 3.0% in annual terms in April, after a 3.6% rise in March. Taking March and April together retail sales were up 1.5% on the year.

### German investor morale improves unexpectedly in May, but 'no fresh start' in sight

BERLIN, May 12 (Reuters) - German investor morale unexpectedly improved in May, although it remained in negative territory overall as businesses continue to feel the economic consequences of the Iran war, the ZEW economic research institute said on Tuesday. After two consecutive months of strong declines in economic expectations, the indicator rose unexpectedly to minus 10.2 points in May from last month's minus 17.2. Analysts polled by Reuters had expected the reading to fall to minus 19.8 points. The government has already halved its 2026 growth forecast to just 0.5%.

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### Japan March household spending falls 2.9% year/year

TOKYO, May 12 (Reuters) - Japanese household spending fell more than expected in March from a year earlier, government data showed on Tuesday, extending declines to a fourth straight month. Consumer spending fell 2.9% year-on-year, internal affairs ministry data showed, compared with the median market forecast for a 1.3% drop. On a seasonally adjusted, month-on-month basis, spending dropped 1.3% versus an estimated 0.6% rise. The indicator will be among factors the Bank of Japan will scrutinise as it decides whether to raise interest rates in June or hold off until later.

### Brazil's April inflation matches forecasts despite growing external risks

SAO PAULO, May 12 (Reuters) - Brazil's inflation was in line with market expectations in April, official data showed on Tuesday, with the 12-month rate remaining within the central bank's target range even as policymakers warn of risks from the Middle East conflict. Annual inflation in Latin America's largest economy stood at 4.39% in April, statistics agency IBGE said, up from 4.14% a month earlier but in line with the 4.40% forecast by economists in a Reuters poll. On a monthly basis, consumer prices rose 0.67%, slowing from a 0.88% increase in March. Economists had expected a 0.69% rise.

### Oil prices slip on teetering Iran ceasefire as Trump heads to China

SINGAPORE, May 13 (Reuters) - Oil prices fell on Wednesday, snapping a three-day rally as investors awaited developments around the fragile Middle East ceasefire and braced for a high-stakes summit in China between U.S. President Donald Trump and President Xi Jinping. Brent crude futures dropped \$1.22, or 1.1%, to \$106.55 a barrel. U.S. West Texas Intermediate futures fell \$1.16, or 1.1%, to \$101.02. Both benchmarks have largely hovered around or above the \$100 per barrel mark since the U.S. and Israel began attacks on Iran at the end of February and Tehran effectively shut the Strait of Hormuz.