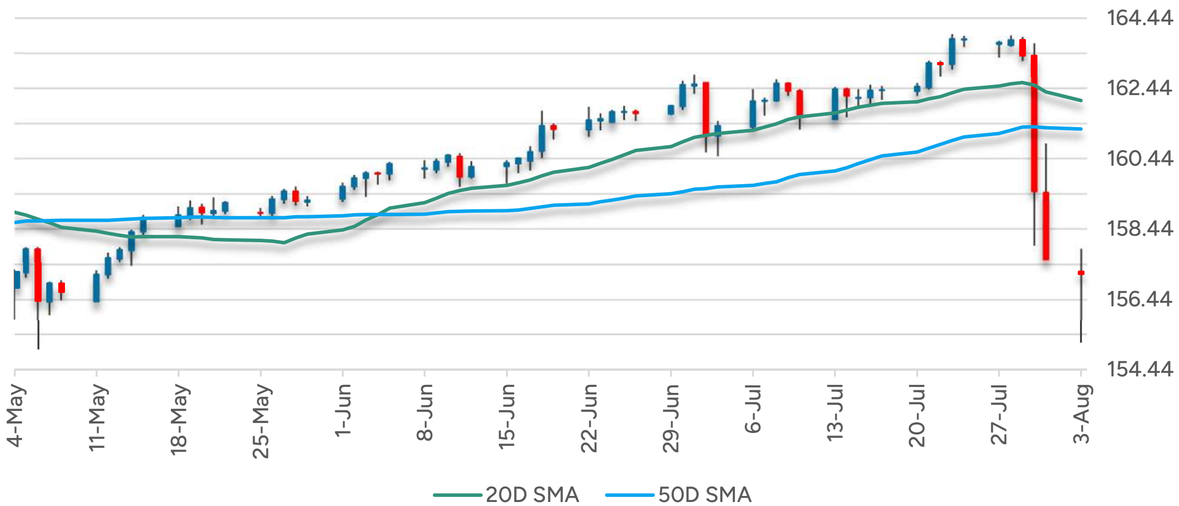
Market Commentary
KFH Treasury

Report produced on
04-Aug-2026

Forex Market

بيت التمويل الكويتي
KFH

JAPANESE YEN



CLOSE	1M %chg	3M %chg
157.16	-2.61%	-0.04%

USD/JPY creeping back into hourly Ichimoku cloud

04 Aug 2026 06:14:41 AM

* USD/JPY buoyant but holding for the most part below 158.00
* Asia range so far 157.22-73 EBS, still below 157.99 200-DMA
* Spot however creeping back into descending hourly Ichimoku cloud
* Cloud currently 157.63-159.47, ascending tenkan 157.20 below, kijun 156.58
* Market still on tenterhooks over possible Japan-US FX intervention
* Rate checks by either authorities would have an impact too
* Most continue to see sideways action on 157 ahead of 158

EURO

CLOSE	1M %chg	3M %chg
1.1507	0.63%	-1.57%

EUR/USD off from yesterday's high, crosses mixed

04 Aug 2026 07:12:41 AM

* EUR/USD off hard from yesterday's 1.1559 high, Asia 1.1503-14 EBS
* Back towards base of 1.1466-1.1561 daily Ichimoku cloud
* Flat 100-DMA towards top of daily Ichimoku cloud at 1.1568 help cap
* Spot also back in 1.1496-1.1523 hourly Ichimoku cloud, near 1.1508 tenkan
* Descending kijun near top of cloud at 1.1522, ascending 100-HMA 1.1486
* Sideways action eyed for now barring fresh news, FX action elsewhere
* Nearby option expiries today 1.1400-35 E2.1 bln, 1.1450 E2.4 bln
* Some expiries too between 1.1455-85, 1.1500 E1.4 bln, 1.1525-50 E1.2 bln

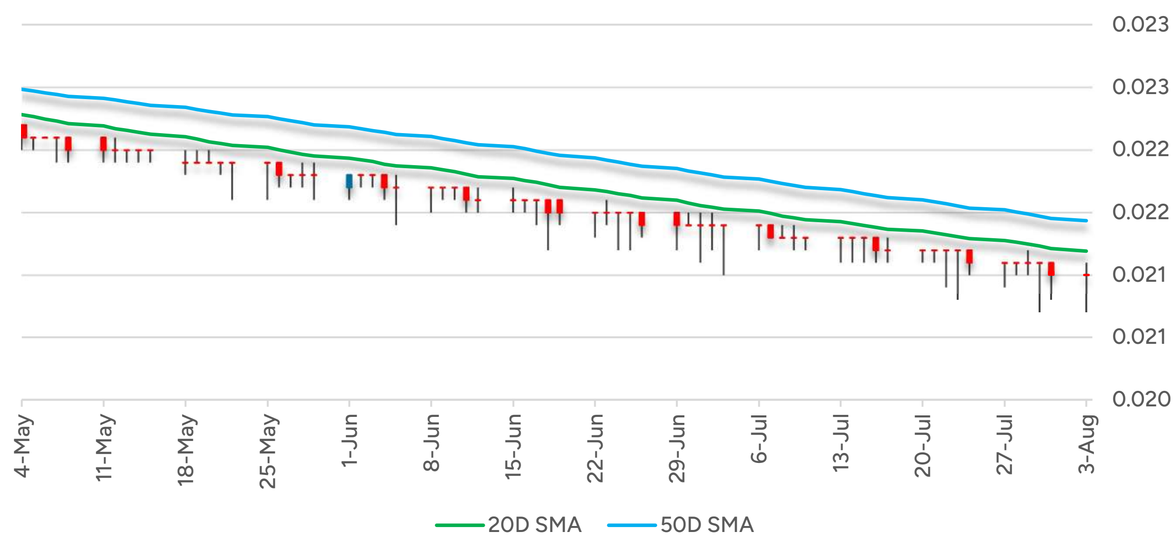
Forex Market

POUND STERLING

CLOSE	1M %chg	3M %chg
1.3428	0.58%	-0.76%

GBP/USD-Subdued after rejection at 1.3500
04 Aug 2026 07:18:09 AM
* GBP/USD steady in Asia after failing to sustain Monday's break above 1.3500
* Consolidates after a swift 1.7% rise from last week's 1.3274 low
* Major moves unlikely before Fri U.S. jobs report as traders await fresh cues
* Focus remains on JPY after Thu-Fri intervention sparked sharp GBP/JPY slide
* Pair up 1% from Mon low after 4.2% decline from last week's peak
* Upside limited as the risk of further U.S.-Japan joint intervention is high
* Resistance 1.3465-70, 1.3500-10, 1.3535-40; support 1.3400-05, 1.3365-70

TURKISH LIRA

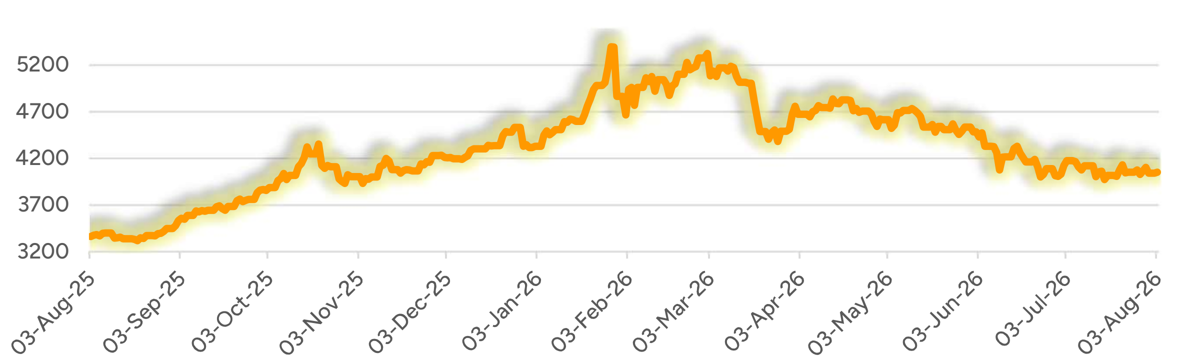


CLOSE	1M %chg	3M %chg
0.0210	-1.87%	-4.98%

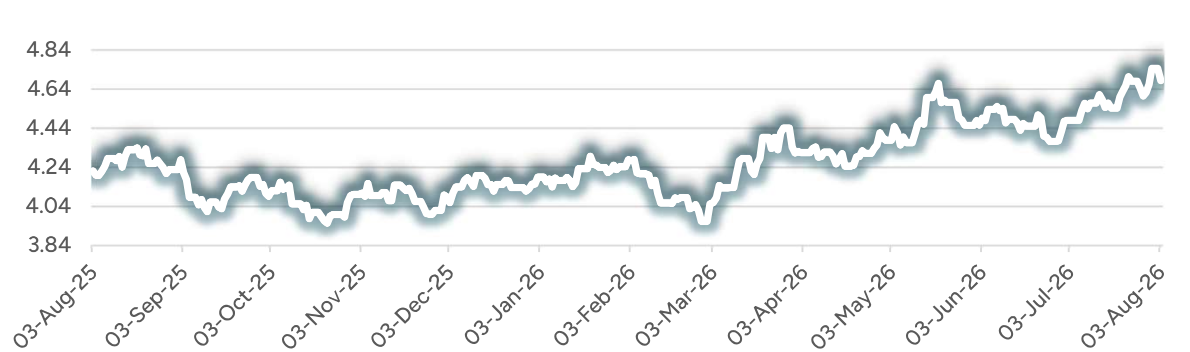
Turkish manufacturing contracts slightly in July, PMI shows
03 Aug 2026 10:59:30 AM
ISTANBUL, Aug 3 (Reuters) - Turkey's manufacturing sector contracted again in July as subdued market conditions and weaker domestic and international demand led firms to cut output and jobs, a business survey showed on Monday. The Istanbul Chamber of Industry Turkey Manufacturing PMI, compiled by S&P Global, rose to 47.7 in July from 47.1 in June, the survey showed. The 50-mark separates growth from contraction. New orders fell markedly again, though the pace of decline eased slightly from June. Firms linked softer demand to subdued market conditions and price pressures, while the war in the Middle East weighed on export demand. Production declined for a second straight month, although only modestly, the survey showed. Employment also fell, with some firms citing workers resigning from their positions.

Gold, US Treasury & Dollar Index

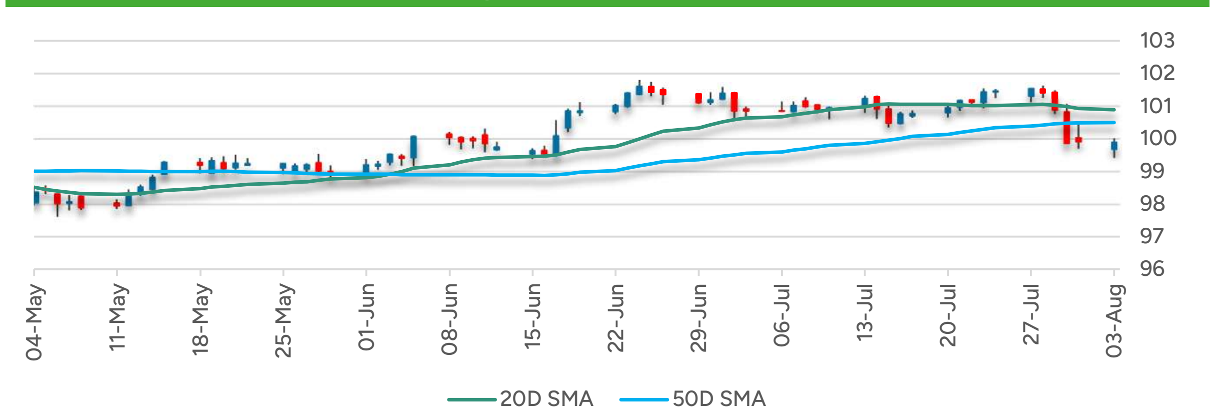
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD	1M %chg	3M %chg
4.69	**4.66%**	**5.44%**

PRECIOUS-Gold holds ground with Middle East turmoil, US jobs data in focus

04 Aug 2026 07:21:00 AM

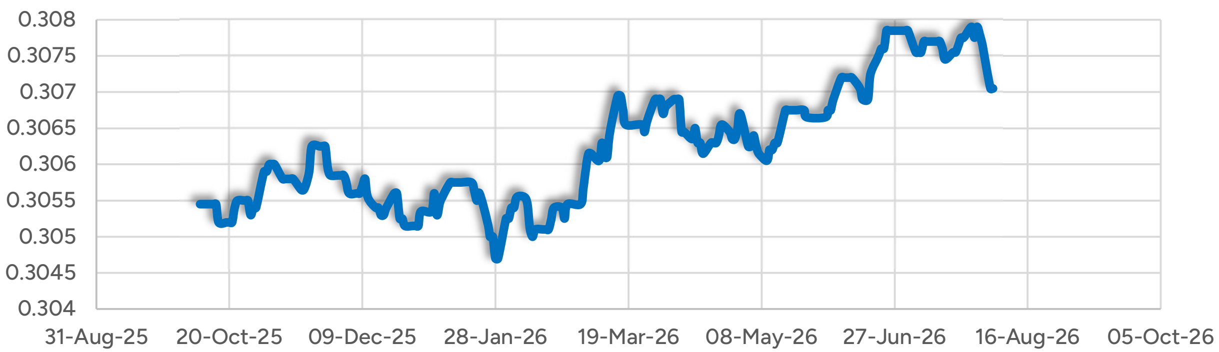
Aug 4 (Reuters) - Gold nudged higher on Tuesday as investors weighed mixed signals on potential U.S.-Iran talks and awaited a series of U.S. labor market reports this week for clues on the Federal Reserve's interest-rate trajectory. Spot gold XAU= rose 0.2% to $4,059.81 per ounce, with investors looking ahead to reports on the U.S. labour market, including job opening data later in the day, the ADP employment report on Wednesday and nonfarm payrolls figures on Friday. Federal Reserve Bank of New York President John Williams said he remained optimistic that inflation pressures are on track to ease gradually, but if they don't the U.S. central bank will not hesitate to respond with rate hikes. Citi said in a note that it expects gold prices to stagnate or even decline over the next month, before rallying to $4,500 in the fourth quarter and to $5,000 by the first half of next year. Spot silver XAG= gained 1% to $58.74 per ounce, platinum XPT= firmed 1.2% to $1,646.59.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Monetary Base YY	JP	04/Aug 02:50	Jul	-13.71%	
S&P Global Comp Op Final SA	JP	05/Aug 03:30	Jul	53.1	
S&P Global SVC PMI Final SA	JP	05/Aug 03:30	Jul	51.9	
S&P Composite Final PMI	EU	05/Aug 11:00	Jul	51.9	51.9
S&P Services Final PMI	EU	05/Aug 11:00	Jul	51.6	51.6
Reserve Assets Total	GB	05/Aug 11:30	Jul	225750.13Mn$	
S&P GLOBAL PMI: COMPOSITE - OUTP	GB	05/Aug 11:30	Jul	52.1	52.1
S&P GLOBAL PMI: MSC COMPOSITE -	GB	06/Aug 11:30	Jul	48.4	
Initial Jobless Clm	US	06/Aug 15:30	W 01 Aug	197k	202k
Nat Gas-EIA Implied Flow	US	06/Aug 17:30	W 31 Jul	28Bn	
Lloyds House Prices MM	GB	07/Aug 09:00	Jul	0.20%	0.10%

Daily Market Report

KWD - CBK FIX



CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE	3M% CHG
0.30710	0.26%

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

MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1536	1.1558	1.1499	1.1507	-0.17%
GBP	1.3477	1.3506	1.3414	1.3428	-0.39%
JPY	157.23	157.88	155.21	157.16	-0.26%
TRY	0.021	0.0211	0.0207	0.021	0.00%
Dollar Idx	99.69	100.017	99.418	99.897	-0.02%
Brent	82.8	84.66	81.55	83.77	-7.05%
WTC	80.72	82.01	80.03	81.96	-4.87%
Gold	4074.11	4080.29	4018.69	4052.65	0.29%
KWSE Index	8804.69	8925.64	8803.92	8913.85	1.33%

SOFR RATES

Tenor	Value	Tenor	Value
1M	3.66	6M	3.88
3M	3.75	1Y	4.05

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.50	3M	3.56
SW	3.25	6M	3.75
1M	3.38	1Y	3.94

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	23/Jul/'26	2.40	2.40	0.00
BOE Bank Rate	00/Jan/'00	0.00	0.00	0.00
BOJ Prime Rate	10/Jun/'26	3.15	3.05	0.10
TRY ON Lending Rate	22/Jan/'26	40.00	41.00	-1.00

Global Top News

بيت التمويل الكويتي KFH

KEY INTERNATIONAL STORIES

US manufacturing activity hits more than four-year high; input prices elevated

WASHINGTON, Aug 3 (Reuters) - U.S. manufacturing activity increased to the highest level in more than four years in July amid strong order growth, boosting factory employment, though the conflict in the Middle East is straining supply chains and keeping input costs elevated. The ISM said its manufacturing PMI increased to 55.6 last month, the highest reading since May 2022, from 53.3 in June. Economists polled by Reuters had forecast the PMI would edge up to 54.0. The PMI this year has held above the 50 threshold, which indicates growth in the manufacturing sector.

UK July manufacturing PMI revised down to 4-month low

LONDON, Aug 3 (Reuters) - British manufacturing activity expanded for a ninth straight month in July but at the slowest pace in four months, according to purchasing managers' data that points to a renewed impact from the Iran war towards end of last month. The S&P Global Purchasing Managers' Index for Britain's manufacturing sector fell to 51.9 in July from 52.5 in June, in contrast to an earlier provisional or flash reading of 52.8, which was the third highest reading of the past four years. The data was collected from July 9 to July 28, while the cut-off for the flash reading was July 24.

German manufacturing growth back at 4-year highs, PMI shows

BERLIN, Aug 3 (Reuters) - Germany's manufacturing sector enjoyed a strong start to the third quarter as business activity expanded in July at its joint-strongest pace since May 2022, helped by faster output growth and a rebound in export sales, a survey showed on Monday. The S&P Global final Purchasing Managers' Index (PMI) for German manufacturing rose to 52.2 in July from 50.3 the month before, in line with a preliminary reading earlier this month and at the same high level as recorded in March. A reading above 50 indicates growth, while below that figure signals contraction.

China factory growth slows to 4-month low in July, survey shows

BEIJING, Aug 3 (Reuters) - China's manufacturing sector expanded at its slowest pace in four months in July, as output and new orders rose more slowly, while export orders returned to growth after a contraction, a private-sector survey showed. The Rating Dog China General Manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, fell to 50.9 in July from 51.7 in June, missing analysts' forecast of 51.5. The 50-mark separates growth from contraction. Official data showed second-quarter economic growth at its slowest in more than three years at 4.3%, missing the lower end of a full-year target of 4.5% to 5.0%.

Mexico analysts trim 2026 inflation forecast, raise GDP forecast

MEXICO CITY, Aug 3 (Reuters) - Private sector analysts polled by the Mexican central bank trimmed their inflation forecasts for the end of this year, while raising their economic growth projections, the bank said. Headline inflation for this year is now expected to hit 4%, down from the previous month's estimate of 4.2%, while core inflation is seen closing the year at 4%, compared with the previous forecast of 4.18%. For 2026, analysts see gross domestic product (GDP) growth at 1.20%, slightly above the 1.10% forecast in the previous month. Analysts do not foresee the Bank of Mexico making any further adjustments to the benchmark interest rate.

Oil ticks up after selloff as talks to end US-Iran war remain uncertain

Aug 4 (Reuters) - Oil prices rebounded 1% on Tuesday from a plunge in the previous session, fuelled by concerns that Middle East supply remains at risk as a diplomatic resolution to the U.S.-Iran war that has disrupted shipments still seems unlikely. Front-month Brent futures LCOc1 rose $1.12, or 1.3%, to $84.89 a barrel after dropping 7% in the previous session to a three-week low. U.S. West Texas Intermediate (WTI) crude CLc1 was up 77 cents, or 1%, at $81.11 after falling more than 5% in the previous session to stand at its lowest in nearly a week. The Hormuz dispute is a central sticking-point in talks.