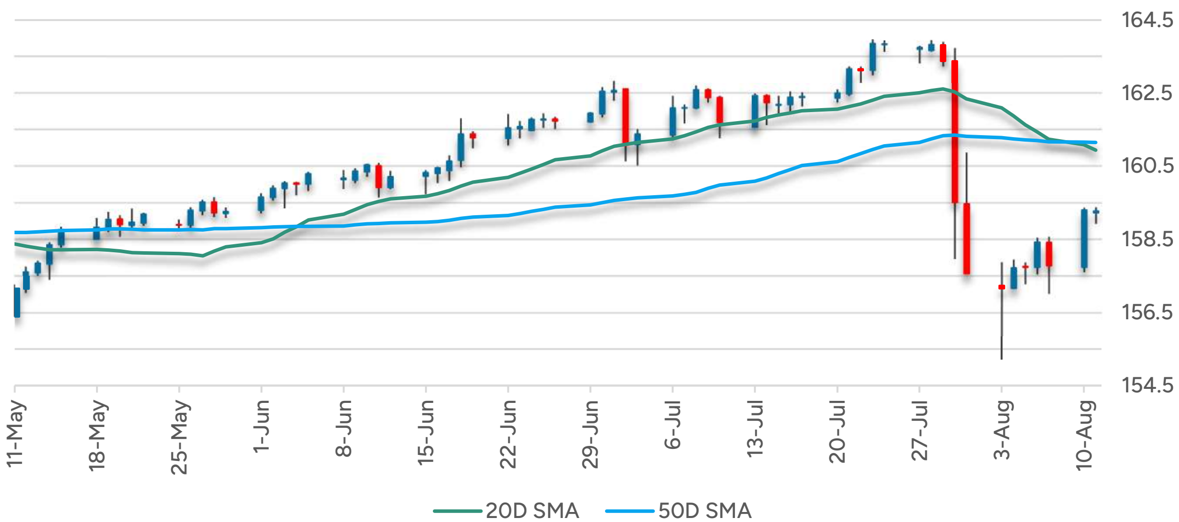
Market Commentary
KFH Treasury

Report produced on
12-Aug-2026

Forex Market

JAPANESE YEN



CLOSE	1M %chg	3M %chg
159.27	-1.50%	1.05%

JPY still under the gun across the board in thin Asia trade

12 Aug 2026 07:09:47 AM

* USD/JPY and JPY crosses mostly remain bid in holiday-thinned Asia trading
* Tokyo banks, mfg, mkt at large also thinly-manned on annual O-Bon holidays
* USD/JPY 159.20-43 EBS, EUR/JPY 183.84-92 EBS, CHF/JPY 196.11-51
* GBP/JPY 214.88-215.30, AUD/JPY 112.32-57, NZD/JPY 93.48-71
* Most pairs in stasis awaiting US CPI tonight, options to help contain spot
* Massive USD/JPY total $3.4 bln option expiries today between 159.00-160.00
* Some nervousness still over FX intervention but most say unlikely now

EURO

CLOSE	1M %chg	3M %chg
1.1540	1.11%	-1.68%

EUR pairs mixed, do little in holiday-thinned Asia

12 Aug 2026 06:44:15 AM

* EUR pairs mixed, some bid, some not in holiday-thinned Asia trading
* EUR/USD tad heavy but still in recently higher 1.1515-80 range since Aug 6
* Asia so far today 1.1536-44 EBS, very quiet, awaiting Europe, US CPI data
* In 1.1449-1.1561 daily Ichimoku cloud, 100-DMA 1.1567 above, tenkan 1.1517
* Support eyed at 200-HMA just below at 1.1534, hourly cloud 1.1549 above
* Massive option expiries above and below today to help contain spot
* 1.1400-90 total E4.1 bln, 1.1500-95 around E5 bln, 1.1600 E1.3 bln

Forex Market

POUND STERLING

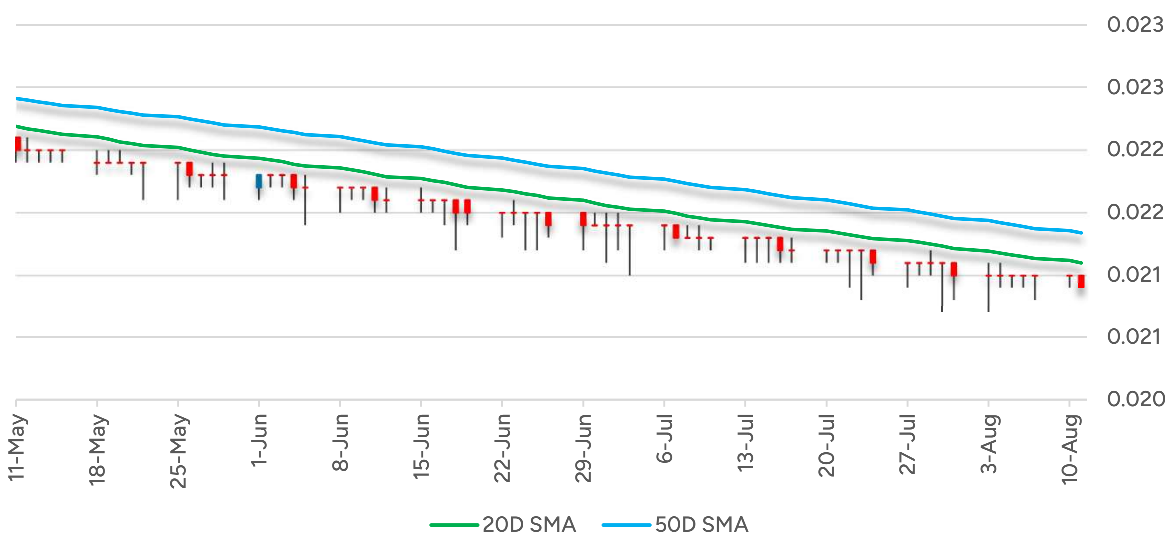
CLOSE	1M %chg	3M %chg
1.3504	0.74%	-0.24%

GBP/USD-Steady as week's key risk events loom

12 Aug 2026 07:23:19 AM

* GBP/USD holds above 1.3500 as traders brace for key U.S. and UK data
* Fading hopes for a U.S.-Iran deal, higher oil prices likely to cap gains
* Sep Fed hike probability eases to 50% from about 67% last week, supportive
* U.S. CPI Wednesday, PPI Thursday key for Fed expectations and USD
* UK June and preliminary Q2 GDP due Thu, expected to show resilient economy
* Industrial and manufacturing output, trade, business investment also due
* Resistance 1.3535, 1.3556 July high; support 1.3480-85, 1.3440-50, 1.3400-10
* Tuesday range 1.3492-1.3515, Asia 1.3502-1.3510

TURKISH LIRA



CLOSE	1M %chg	3M %chg
0.0209	-1.88%	-5.00%

Turkey to log $5 bln current account deficit in June, $51.75 bln in 2026

11 Aug 2026 03:26:37 PM

ANKARA, Aug 11 (Reuters) - Turkey's current account is expected to record a deficit of $5 billion in June and $51.75 billion in 2026 as a whole, a Reuters poll showed on Tuesday. Forecasts by ten economists for the June current account TRCURA=ECI deficit ranged from $4.5 billion to $5.5 billion. The median forecast for the current account deficit in 2026 stood at $51.75 billion, with estimates ranging from $45 billion to $62.8 billion. The foreign trade deficit, which makes up a major part of the current account balance, widened 26.2% to $10.37 billion in June. The current account balance showed a deficit of $1.46 billion in May and $30.68 billion in the January-May period. For end-2026, the government projects a current account deficit-to-GDP ratio of 1.3%.

Gold, US Treasury & Dollar Index

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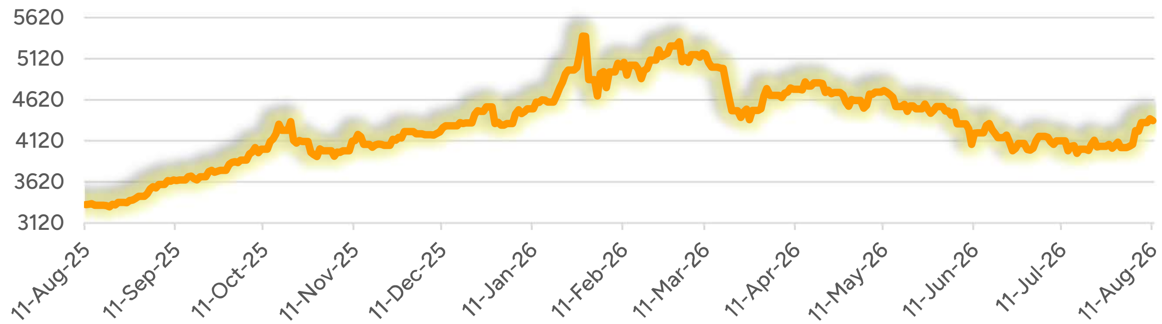
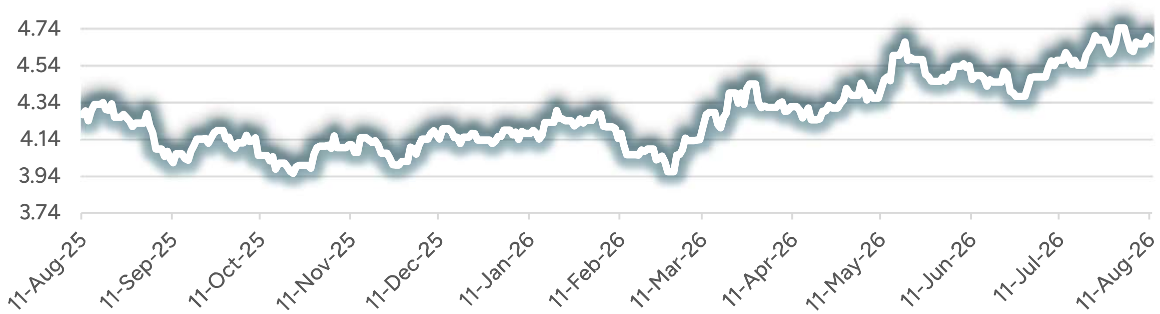
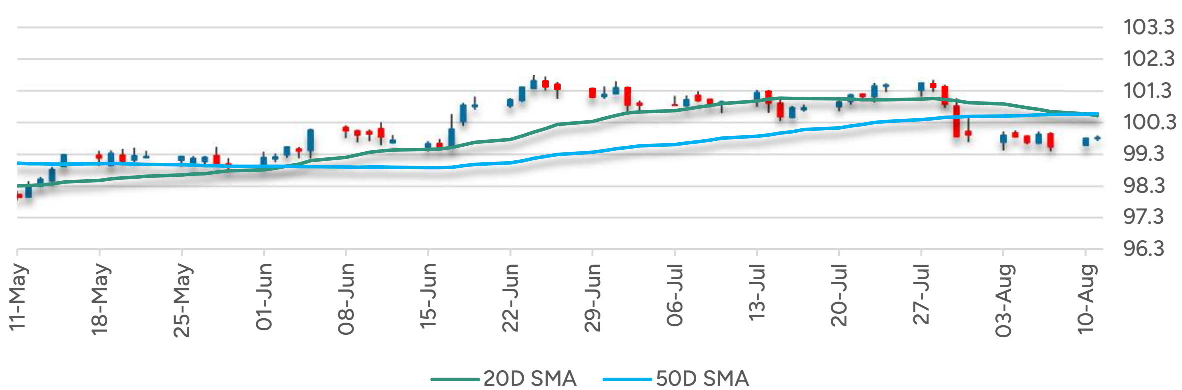
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD	1M %chg	3M %chg
4.68	**2.52%**	**4.96%**

PRECIOUS-Gold rebounds towards 10-week high as markets brace for US CPI data

12 Aug 2026 07:58:00 AM

Aug 12 (Reuters) - Gold rose nearly 1% on Wednesday, supported by reduced bets on Federal Reserve tightening next month as investors awaited key U.S. inflation data that could reshape policy expectations. Spot gold XAU= gained 0.9% to $4,406.34 per ounce. U.S. gold futures GCcv1 for December delivery rose 0.6% to $4,466.70. Bullion climbed to a 10-week high on Tuesday before hitting technical resistance at the 100-day moving average around $4,387 and closing lower for the second time this month. Bullion posted its largest weekly gain since January on Friday after weaker-than-expected jobs data led traders to scale back bets on U.S. rate hikes. Traders are now pricing in a 50% chance of a hike in September, down from 60% before the jobs report, according to the CME FedWatch Tool. Spot silver XAG= was up 1.2% at $65.46 per ounce, trading below its highest level since June 22 hit on Tuesday. Platinum XPT= rose 0.6% to $1,754.10 and palladium XPD= gained 0.8% to $1,370.86.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Reuters Tankan N-Man Idx	JP	12/Aug 02:00	Aug	25	
Broad Money	JP	12/Aug 02:50	Jul	2327.9Tn¥	
M2 Money Supply	JP	12/Aug 02:50	Jul	12918097¥	
CPI MM, SA	US	12/Aug 15:30	Jul	-0.40%	0.10%
CPI Wage Earner	US	12/Aug 15:30	Jul	327.075	
CPI YY, NSA	US	12/Aug 15:30	Jul	3.50%	3.40%
Core CPI MM, SA	US	12/Aug 15:30	Jul	0.00%	0.20%
Core CPI YY, NSA	US	12/Aug 15:30	Jul	2.60%	2.50%
Corp Goods Price MM	JP	13/Aug 02:50	Jul	0.40%	0.60%
Corp Goods Price YY	JP	13/Aug 02:50	Jul	7.10%	7.40%
GDP Est 3M/3M	GB	13/Aug 09:00	Jun	0.70%	0.40%

Daily Market Report

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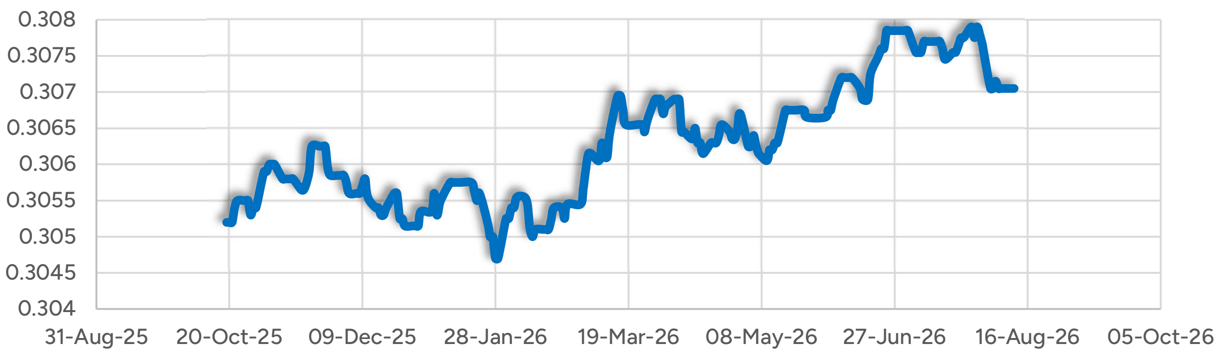
KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1545	1.1549	1.153	1.154	-0.02%
GBP	1.3507	1.3515	1.3489	1.3504	0.01%
JPY	159.23	159.38	158.92	159.27	-0.02%
TRY	0.021	0.021	0.0209	0.0209	-0.48%
Dollar Idx	99.803	99.898	99.725	99.828	0.02%
Brent	87.74	90.03	86.6	88.91	1.36%
WTC	84.08	84.96	82.87	84.77	1.21%
Gold	4389.22	4434.84	4355.896	4366.8408	-0.49%
KWSE Index	8853.1	8869.08	8835.11	8836.02	-0.46%

KIBOR RATES

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

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE	3M% CHG
0.30710	0.28%

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	3.64	6M	3.86
3M	3.74	1Y	4.01

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	19/Jun/'25	4.25	4.25	0.00
BOJ Prime Rate	12/Aug/'26	3.25	3.15	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 existing home sales fall further; small business sentiment at 11-month high

WASHINGTON, Aug 11 (Reuters) - U.S. existing home sales fell for a second straight month in July as higher mortgage rates and house prices because of tight supply pushed out potential buyers from the market. Home sales dropped 1.7% last month to a seasonally adjusted annual rate of 4.06 million units, the National Association of Realtors said on Tuesday. Economists polled by Reuters had forecast home resales slipping to a rate of 4.05 million units. Houses priced $250,000 and below have accounted for the weakness in sales amid an acute shortage of starter homes.

UK stats office sees switch to improved jobs market survey in November 2027

LONDON, Aug 11 (Reuters) - Britain's statistics office said on Tuesday that November 2027 was the most likely date for switching its flagship gauge of the labour market to a new improved survey, replacing a dataset that has been plagued with problems. A recent assessment showed it was too soon to start a transition to the Transformed Labour Force Survey (TLFS) and it was also too early to publish "research outputs", the Office for National Statistics said. The ONS said it would publish a detailed transition plan in the first quarter of 2027.

Euro zone investor morale turns positive in August, Sentix survey shows

BERLIN, Aug 10 (Reuters) - Investor morale in the euro zone returned to positive territory in August and rose for a fourth consecutive month, helped by a sharp improvement in current economic conditions and continued confidence in the recovery, a survey showed on Monday. The Sentix index for the euro zone rose to 0.9 points in August from -3.1 in July, compared with a Reuters poll forecast of -0.5. The current situation subindex climbed to -8.0 points in August from -14.8 in July, while the expectations gauge rose to 10.3 points from 9.3.

Australia's central bank warns further hike 'quite possible' after holding rates steady

SYDNEY, Aug 11 (Reuters) - Australia's central bank held its cash rate steady at 4.35% for a second straight meeting on Tuesday, saying the economy was slowing as expected, but warned it might hike again if needed to control inflation. The RBA has already raised rates by 75 basis points this year — fully reversing the amount of policy easing from 2025 — as it struggled to contain stubborn inflationary pressures in the economy driven by surging energy costs. Consumer price inflation is projected to ease to 3.6% by the end of the year from 3.9% in the second quarter, and to 2.6% by the end of 2027.

Brazil inflation slows in July, returns to central bank target range

SAO PAULO, Aug 11 (Reuters) - Brazil's annual inflation eased in July, broadly in line with market expectations, data from statistics agency IBGE showed on Tuesday, returning to the central bank's tolerance range as the effects of tight monetary policy continued to filter through the economy. Consumer prices in Latin America's largest economy rose 4.44% in the 12 months through July, down from 4.64% in June, IBGE said. Economists polled by Reuters had expected annual inflation of 4.40%. Brazil's central bank cut its benchmark by 25 basis points for a fourth straight meeting to 14.00% earlier this month, leaving its next steps open.

Oil rises as doubts over US-Iran deal heighten supply concerns

BEIJING, Aug 12 (Reuters) - Oil prices rose on Wednesday morning as doubts about a U.S.-Iran peace deal and attacks on two ships fuelled concerns about Middle East supply disruptions, even as industry data showed U.S. crude inventories expanded. Brent futures gained 72 cents, or 0.81%, to $89.63 a barrel, while U.S. West Texas Intermediate (WTI) crude climbed 71 cents, or 0.85%, to $83.91. Both benchmark contracts settled more than $1 higher on Tuesday, marking their highest closes since July 31 and extending gains after jumping about 5% on Monday as hopes for a peace deal between the U.S. and Iran began to fade.

LSEG

Market data & Reuters News is sourced from LSEG Workspace.