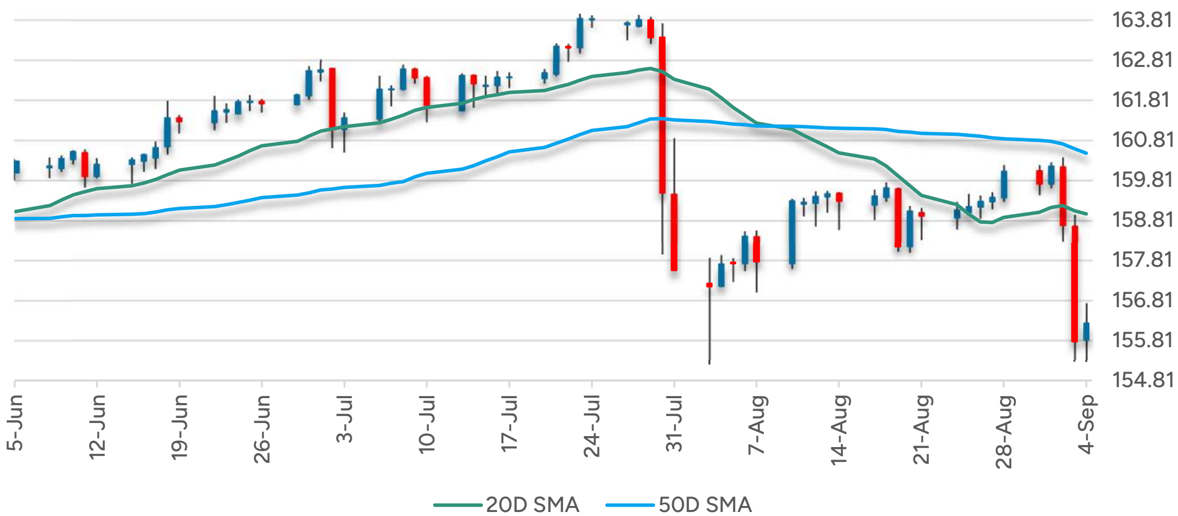
Market Commentary
KFH Treasury

Report produced on
06-Sep-2026

Forex Market

JAPANESE YEN



CLOSE	1M %chg	3M %chg
156.24	-1.38%	-2.53%

COMMENT-Yen holds modest 2026 gain, fails to crack 155
04 Sep 2026 06:53:57 PM
Price action following a robust August U.S. payrolls report suggests USD/JPY bears remain in control. The pair briefly surged to 156.75 after data showed nonfarm payrolls rose by 162,000, nearly triple the consensus forecast of 56,000, but the rally quickly ran out of steam. It reversed sharply, slipping back below 156.00 and testing heavy congestion near the day's low around 155.25. There appears to be strong interest, possibly from commercial accounts, in defending the Aug. 3 joint-intervention low at 155.20 and the May Ministry of Finance intervention low near 155.00.

EURO

CLOSE	1M %chg	3M %chg
1.1613	0.77%	0.82%

COMMENT-Euro eases on US payrolls beat but inflation matters more for Fed outlook
04 Sep 2026 05:38:55 PM
Sept 4 (Reuters) - EUR/USD pulled back on Friday, falling toward 1.1600 as the U.S. payrolls print far surpassed estimates. Headline NFP printed at 162,000 vs 45,000 expected, and the prior was revised from -23,000 to +21,000, painting a much more robust labour market. Markets are now pricing roughly 60% odds of a September hike, up from 50% pre-NFP, but that is still highly sensitive to next week’s PPI and the upcoming CPI figures. Until we see those numbers, the dollar lacks a clear directional catalyst. EUR/USD is therefore likely to remain range-bound, tracking sideways between the 100 and 200-day MAs at 1.1565-1.1634 into the inflation data.

Forex Market

POUND STERLING

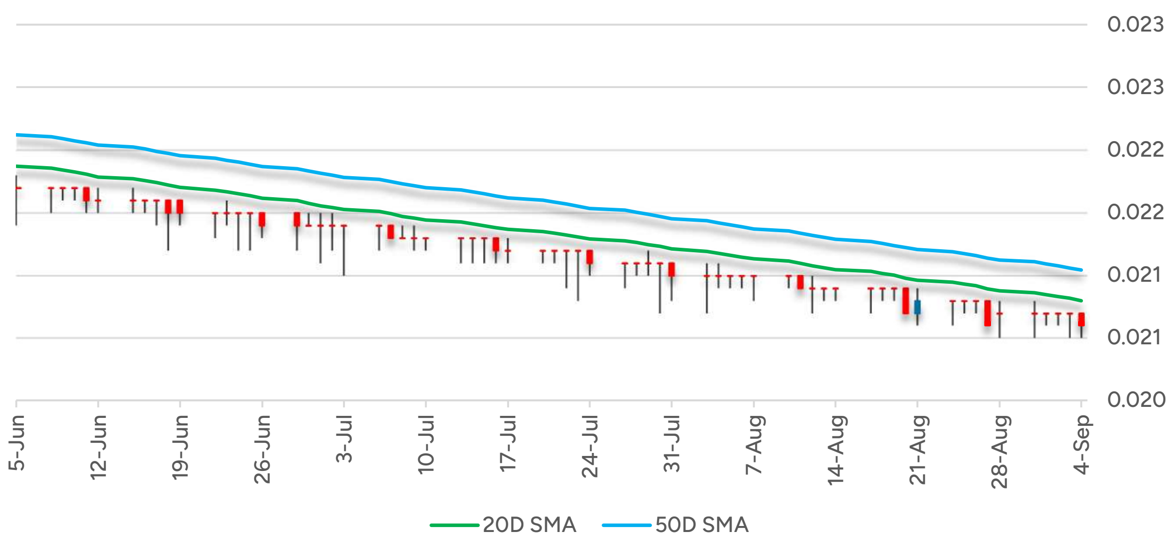
CLOSE	1M %chg	3M %chg
1.3521	0.51%	1.36%

Sterling settles just above 1.35 after post-payrolls whipsaw

04 Sep 2026 09:45:38 PM

* GBP$ a tad soft in NY afternoon -0.04% at 1.3514; NorAm range 1.3538-1.3482
* Pair saw considerable yaw after US payrolls upside surprise; upbeat earnings
* On its own the data stoked inflationary tones, front and long-end yields ticked higher
* Initial dip toward Wed's trend low found support ostensibly on weekend position squaring
* Markets now shift focus to Sept 11 US CPI and Sept 16 UK CPI for inflation confirmation
* Other hot topic, UK fiscal angst tempers as UK 10-yr gilt yields slips to 5.14% from 5.29%
* GBP$ res 1.3550 Friday high, 1.3560 falling 10-DMA, 1.3602 daily high Aug 27
* Supt 1.3509 the rising 30-DMA, 1.3475 daily low Sept 2, 1.3446 flat 200-DMA

TURKISH LIRA



CLOSE	1M %chg	3M %chg
0.0206	-1.90%	-5.07%

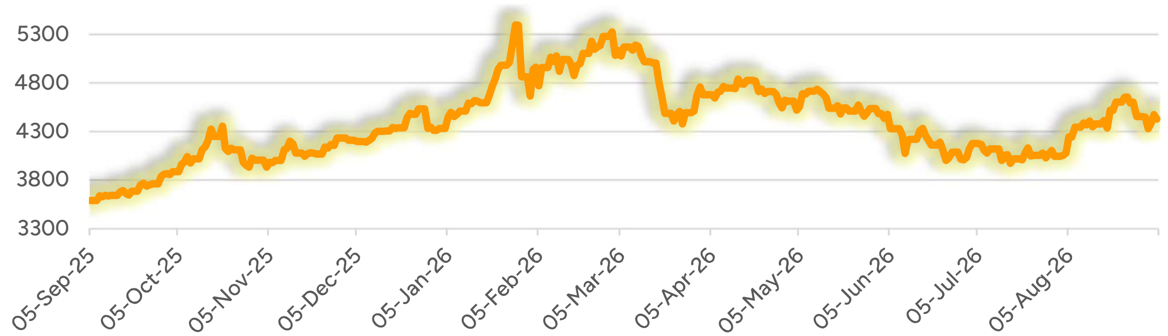
Turkey's August trade deficit widens 22.3% year-on-year

03 Sep 2026 12:39:24 PM

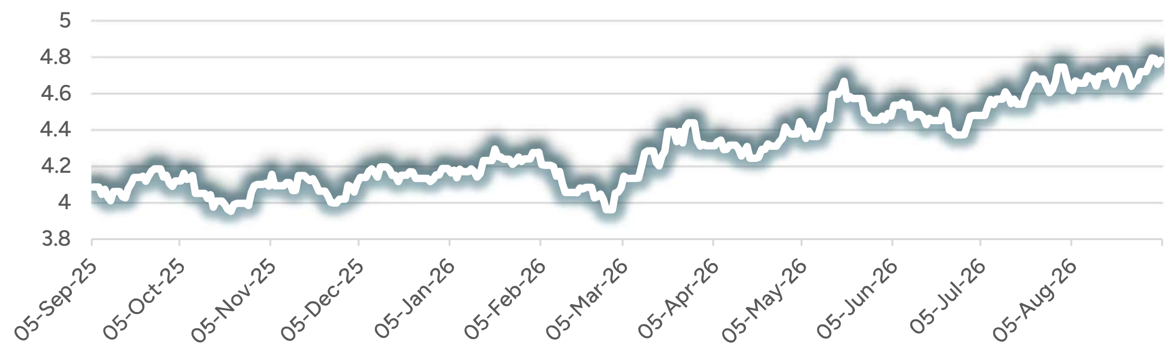
ISTANBUL, Sept 3 (Reuters) - Turkey's trade deficit widened 22.3% year-on-year in August to reach $5.2 billion, Trade Minister Omer Bolat said on Thursday. Bolat said imports in August rose by 10.5% to $28.7 billion and exports rose 8.1% to $23.5 billion. Turkey's current account balance is expected to record a surplus in August, according to the presentation of the trade minister.

Gold, US Treasury & Dollar Index

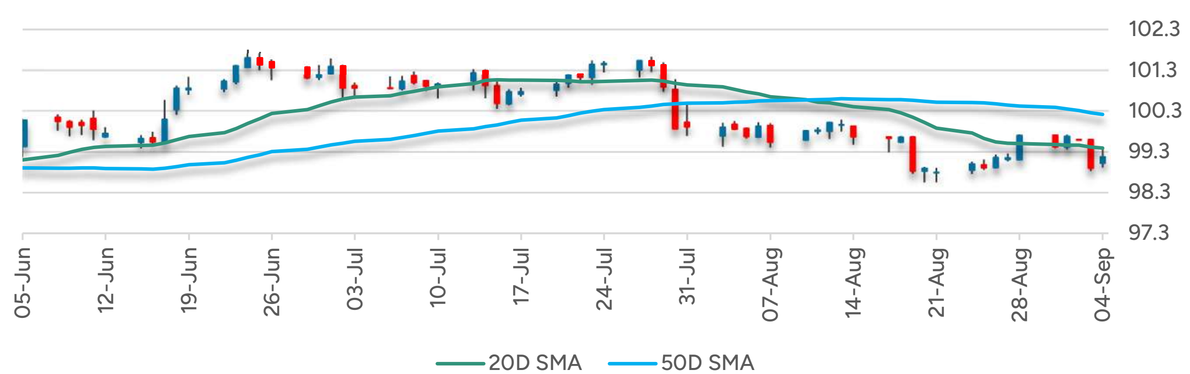
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD	1M %chg	3M %chg
4.78	**2.44%**	**5.47%**

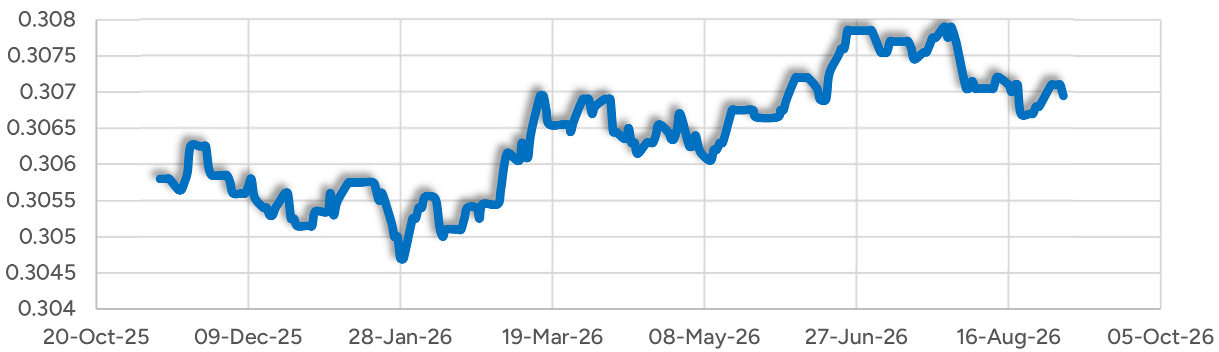
PRECIOUS-Gold slides after robust US payrolls boost rate hike bets
04 Sep 2026 10:06:00 PM
Sept 4 (Reuters) - Gold fell on Friday and was headed for a weekly loss after stronger-than-expected U.S. jobs data boosted expectations that the Federal Reserve could raise interest rates as soon as this month, denting non-yielding bullion's appeal. Spot gold XAU= slipped 1.2% to $4,419.09 per ounce, putting it on track for a mild weekly decline. After the data, bullion fell more than 2% to an intraday low of $4,364.99 per ounce. U.S. gold futures GCcv1 for December delivery dropped 1.4% to settle at $4,476.60 per ounce. "Gold stumbles badly as a huge headline print, and an overall strong report, makes a September rate hike much more likely unless we get a weak CPI report," independent analyst Tai Wong said. Among other metals, spot silver XAG= fell 1.7% to $65.83 per ounce, platinum XPT= slipped 0.8% to $1,810.96 per ounce, and palladium XPD= dropped 2.5% to $1,385.50. All three metals were headed for a weekly decline.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Lloyds House Prices MM	GB	07/Sep 09:00	Aug	0.00%	0.10%
GDP Revised QQ	EU	07/Sep 12:00	Q2 2026	0.40%	0.40%
GDP Revised YY	EU	07/Sep 12:00	Q2 2026	1.00%	1.00%
Current Account Bal SA	JP	08/Sep 02:50	Jul	13969¥	
Current Account NSA JPY	JP	08/Sep 02:50	Jul	-92.3Bn¥	2869.8Bn¥
GDP Cap Ex Rev QQ	JP	08/Sep 02:50	Q2 2026	-1.20%	-0.80%
GDP Rev QQ Annualised	JP	08/Sep 02:50	Q2 2026	1.10%	1.60%
GDP Revised QQ	JP	08/Sep 02:50	Q2 2026	0.30%	0.40%
Trade Bal Cust Basis SA	JP	08/Sep 02:50	Jul	-5807.95¥	
Reuters Tankan N-Man Idx	JP	09/Sep 02:00	Sep	28	
Broad Money	JP	09/Sep 02:50	Aug	2330.6Tn¥	

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1629	1.1633	1.1583	1.1613	-0.09%
GBP	1.3527	1.3549	1.3481	1.3521	0.00%
JPY	155.83	156.74	155.27	156.24	0.29%
TRY	0.0207	0.0207	0.0205	0.0206	-0.48%
Dollar Idx	99.029	99.392	98.916	99.176	0.27%
Brent	95.95	96.57	93.15	96.28	0.80%
WTC	91.5	92.81	89.92	92.69	0.15%
Gold	4474.05	4490.48	4364.99	4427.6929	-1.01%
KWSE Index	8868.07	8870.95	8840.35	8847.93	-0.21%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.56	3M	3.56
SW	3.25	6M	3.75
1M	3.44	1Y	3.94

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE	3M% CHG
0.30700	0.02%

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	3.74	6M	3.94
3M	3.81	1Y	4.12

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

KFH بيت التمويل الكويتي

KEY INTERNATIONAL STORIES

US job growth expected to rebound in August; unemployment rate forecast steady at 4.1%

WASHINGTON, Sept 4 (Reuters) - U.S. payrolls growth likely rebounded in August as the drag from local government education reversed, but the anticipated recovery could be limited by job losses related to the termination of Temporary Protected Status for Haitian immigrants. Labor Department's closely watched employment report on Friday is expected to paint a picture of a labor market that economists say remains in a "slow hire, slow fire" mode, with unemployment rate forecast to have held steady at 4.1% last month. Job growth was hobbled by President Donald Trump's sweeping import tariffs in 2025.

UK economy gathers pace but cost pressures intensify, PMI shows

LONDON, Sept 3 (Reuters) - Activity in Britain's dominant services sector grew for the second month in a row in August and confidence rose, according to a survey on Thursday that also showed more firms reporting rising prices, a potential concern for the Bank of England. The final reading of the S&P Global UK Services Purchasing Managers' Index (PMI) rose to 52.5 in August from 52.1 in July, its strongest growth since April. Thursday's reading was slightly below a provisional reading of 52.8 but added to signs of resilience in the economy despite the U.S.-Iran war.

German industrial orders increase due to large-scale orders

BERLIN, Sept 4 (Reuters) - German industrial orders rose more than expected in July, driven by sales of ships, railway rolling stock and aircraft. Industrial orders rose by 2.5% from the previous month on a seasonally and calendar-adjusted basis, the national statistics office said on Friday. A Reuters poll of analysts had pointed to an increase of 0.3%. Foreign orders dropped 2.1% in July, while domestic orders rose 9.1%. Excluding large-scale orders, new orders were 1.4% down from June. Provisional data were revised to show that new orders in June increased by 3.7% from May, against a preliminary 3.1% rise.

China services activity quickens on stronger domestic demand, private PMI shows

BEIJING, Sept 3 (Reuters) - China's services activity expanded at a faster pace in August, a private-sector survey showed on Thursday, with stronger domestic demand helping firms add staff for a fourth consecutive month. The RatingDog China General Services PMI rose to 51.4 in August from 50.4 in July, remaining above the 50-point mark that separates growth from contraction. However, it was still the second-lowest reading in 14 months. The RatingDog China General Composite PMI, covering manufacturing and services, rose to 52.1 in August from 50.8 in July, indicating faster growth in overall private-sector activity.

Philippine annual inflation slows for fourth straight month in August to 6.1%

MANILA, Sept 4 (Reuters) - Philippine annual inflation PHCPI=ECI edged down to 6.1% in August from 6.2% in July, slowing for a fourth straight month as increases in food and utility prices eased, the statistics agency said on Friday. The consumer price index was just above the 6% median forecast in a Reuters poll. The August print brought average inflation in the first eight months of 2026 to 5.2%. Core inflation, which excludes volatile food and energy prices, slowed to 4.1% in August from 4.2% in July. The central bank raised its policy interest rate by 25 basis points for the third consecutive meeting on August 27 to keep inflation in check.

Oil ends week higher on renewed US-Iran strikes, diesel hits record

HOUSTON, Sept 4 (Reuters) - Oil prices rose on Friday, ending the week substantially higher after the United States and Iran resumed military exchanges in the seventh month of their conflict, while retail U.S. diesel prices hit a record high. Brent crude futures settled at $96.28 a barrel, up 76 cents, or 0.8%. West Texas Intermediate crude futures finished at $91.48 a barrel, up 18 cents, or 0.20%. For the week, Brent crude rose 7.6% while U.S. crude gained nearly 10% as supply routes in the Middle East remain impaired due to the war. ANZ analysts raised their short-term Brent crude forecast to $95 a barrel, with upside risk if the Middle East conflict intensifies.