

Market Commentary

KFH Treasury

Report produced on
14-Oct-2026



Forex Market



JAPANESE YEN



CLOSE

158.29

1M %chg

2.55%

3M %chg

-2.43%

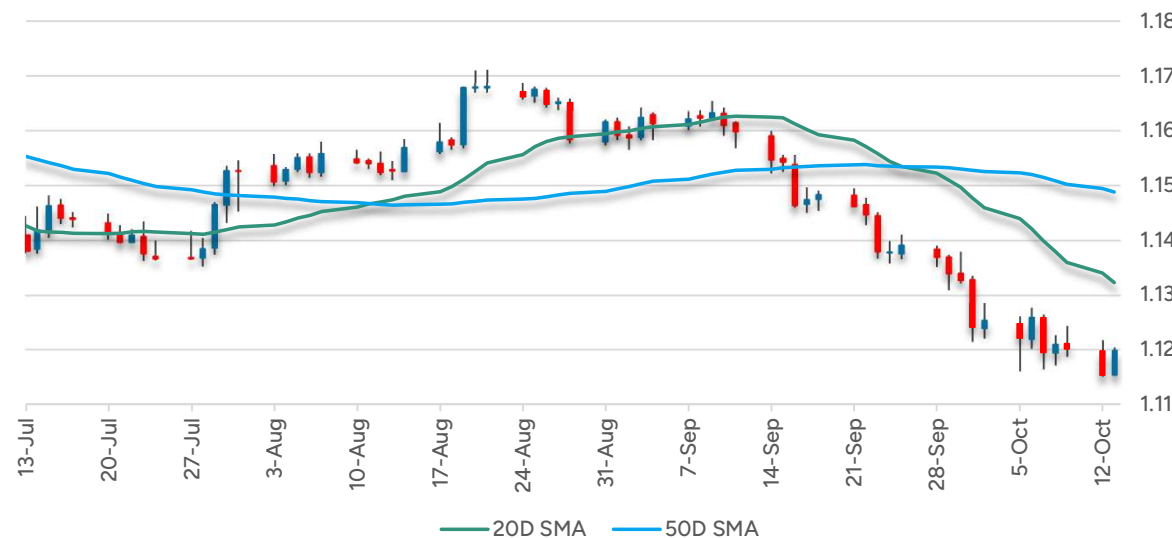
USD/JPY up on importer demand, short-covering, off since

14 Oct 2026 06:09:43 AM

- * USD/JPY up to 158.51 EBS early Tokyo on Japanese importer demand
- * Some short-covering by specs also noted but rather light
- * USD/JPY since off to 158.37, towards 158.31 low of session at open
- * Spot below 158.56 200-DMA too, at top of 156.64-158.44 daily Ichi cloud
- * Concerns still over US CPI data release, FOMC Chair Warsh-speak too



EURO



CLOSE

1.1198

1M %chg

-3.02%

3M %chg

-1.94%

Most EUR pairs up from recent lows, still on heavy side

14 Oct 2026 07:05:29 AM

- * EUR/USD 1.1197-1.1208 EBS in Asia, up after fall to 1.1153 Monday
- * Still in recent lower range however, daily highs to 1.1285 on October 2
- * Initial resistance from descending daily Ichimoku tenkan at 1.1218
- * Also holding below flattening 200-HMA at 1.1212
- * Above 1.1201 hourly tenkan, 1.1173-97 hourly Ichi cloud however
- * 200-HMA in cloud at 1.1194 and maybe extent of downside in Asia today
- * Hefty option expiries in area today - 1.1100-1.1210 total E3.4 bln
- * Above between 1.1225 to 1.1350 total E7.3 bln, to help limit any upside

Forex Market

POUND STERLING



CLOSE1.3252

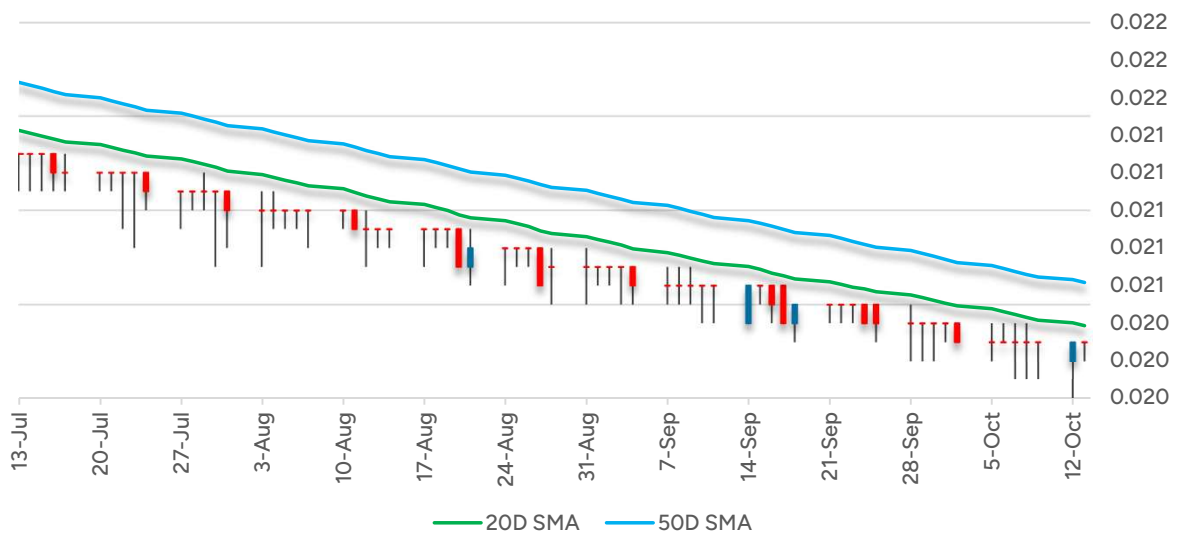
1M %chg-1.80%

3M %chg-1.02%

GBP/USD-Range-bound ahead of key US, UK inflation data
14 Oct 2026 06:42:59 AM

- * GBP/USD up 0.15 in Asia after closing 0.35% higher Tue on lower US yields
- * Longer-term US yields fall as Fed's Williams downplays 2027 rate hike need
- * IMF raises UK 2026 growth forecasts, lauds fiscal consolidation-GBP positive
- * Sterling hits 16-month high vs euro as France fiscal concerns persist
- * US CPI Wed, UK Aug GDP, industrial & manufacturing output, trade Thu key
- * BoE Deputy Governor Sarah Breen speaks at the IMF/World Bank meetings Wed
- * Resistance 1.3285, 1.3305-10, support 1.3240, 1.3200-04, 1.3180-85
- * Tuesday range 1.3205-1.3259, Asia 1.3252-1.3269

TURKISH LIRA



CLOSE0.0203

1M %chg-1.46%

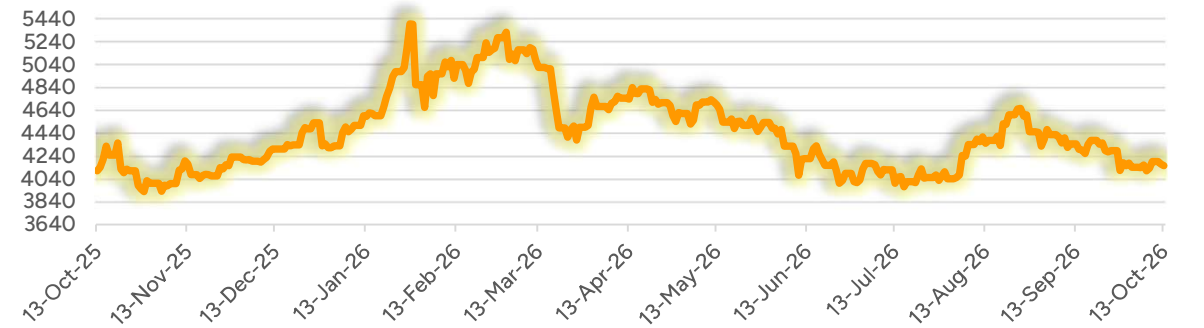
3M %chg-4.69%

Turkish Aug current account surplus \$4.053 billion, more than forecast
13 Oct 2026 10:00:21 AM

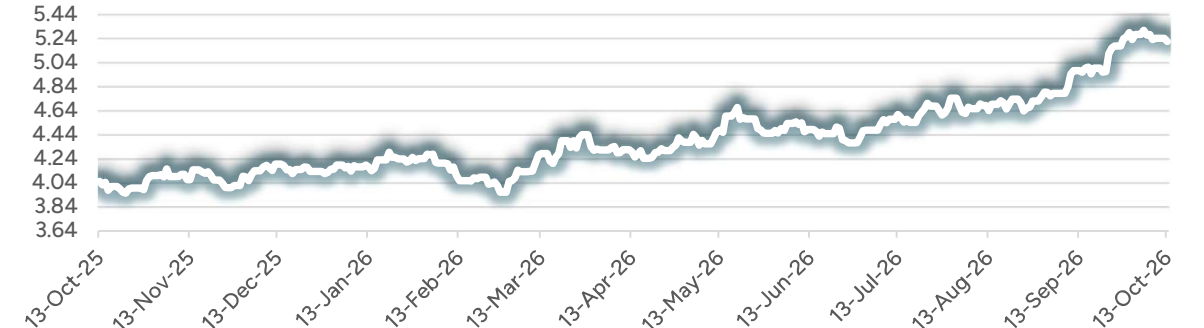
ISTANBUL, Oct 13 (Reuters) - Turkey's central bank said on Tuesday the country's current account deficit in August reversed to a surplus of \$4.053 billion. The figure is more than a Reuters forecast for a surplus of \$3.6 billion. In July, the current account deficit was \$89 million. In 2025 Turkey's current account deficit was \$25.207 billion.

Gold, US Treasury & Dollar Index

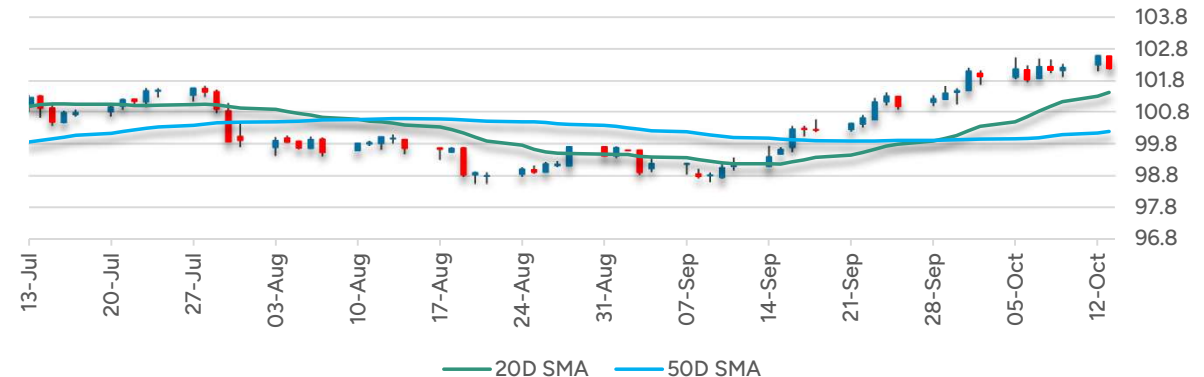
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

5.21

1M %chg

4.99%

3M %chg

13.60%

PRECIOUS-Gold holds firm ahead of US inflation data

14 Oct 2026 09:02:51 AM

Oct 14 (Reuters) - Gold prices held firm on Wednesday as investors braced for US consumer price index data due later in the day for clues on the Federal Reserve's latest monetary policy stance. Spot gold XAU= held its ground at \$4,165.25 per ounce. U.S. gold futures GCcv1 for December delivery edged 0.3% higher to \$4,188.70. Meanwhile, Fed Governor Christopher Waller said the recent rise in US bond yields reflects stronger economic growth rather than higher inflation expectations, which remain "well-anchored". US/ Markets are pricing in about a 22% chance of a US rate hike this month and an 88% probability of an increase in December, according to CME's FedWatch Tool. Although gold is typically seen as a hedge against inflation, higher interest rates tend to diminish the appeal of non-yielding bullion to investors. Among other metals, spot silver XAG= dipped 0.2% to \$59.33 per ounce, platinum XPT= steadied at \$1,663.16 and palladium XPD= gained 0.7% to \$1,133.49.

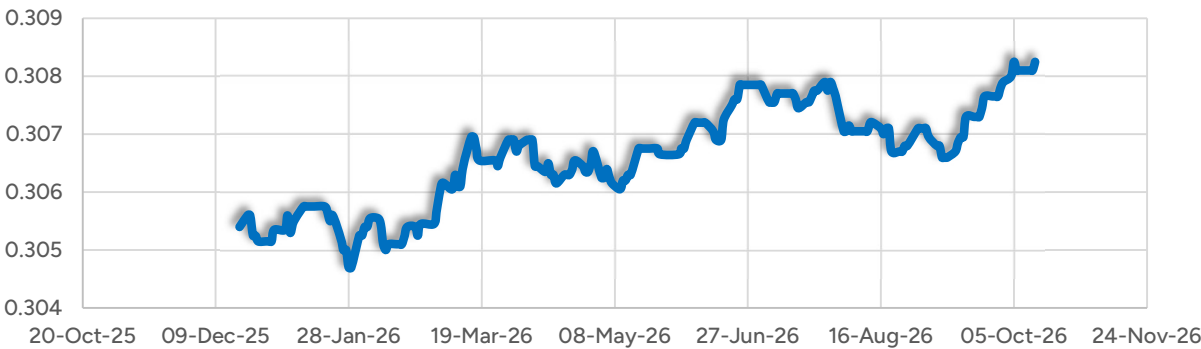
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
Broad Money	JP	14/Oct 02:50	Sep	2337.3Tn¥	
M2 Money Supply	JP	14/Oct 02:50	Sep	1294565.9Bn¥	
CPI MM, SA	US	14/Oct 15:30	Sep	0.40%	0.60%
CPI Wage Earner	US	14/Oct 15:30	Sep	328.481	
CPI YY, NSA	US	14/Oct 15:30	Sep	3.40%	3.60%
Core CPI MM, SA	US	14/Oct 15:30	Sep	0.30%	0.20%
Core CPI YY, NSA	US	14/Oct 15:30	Sep	2.40%	2.50%
Machinery Orders MM	JP	15/Oct 02:50	Aug	-3.70%	3.00%
Machinery Orders YY	JP	15/Oct 02:50	Aug	11.20%	15.70%
GDP Est 3M/3M	GB	15/Oct 09:00	Aug	0.40%	0.50%
GDP Estimate MM	GB	15/Oct 09:00	Aug	0.40%	-0.10%

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1154	1.1204	1.1152	1.1198	0.40%
GBP	1.3206	1.3259	1.3201	1.3252	0.35%
JPY	158.6	158.66	157.81	158.29	-0.20%
TRY	0.0203	0.0203	0.0202	0.0203	0.00%
Dollar Idx	102.569	102.574	102.162	102.18	-0.40%
Brent	106.08	106.75	104.35	105.69	-0.90%
WTC	99.11	101.5	98.83	100.86	2.16%
Gold	4168.69	4200.25	4146.61	4156.75	-0.34%
KWSE Index	8655.21	8663.99	8638.93	8654.84	0.06%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.63	3M	3.63
SW	3.31	6M	3.88
1M	3.50	1Y	4.06

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30830

3M% CHG

0.18%

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	3.92	6M	4.19
3M	4.04	1Y	4.47

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	16/Sep/'26	4.00	3.75	0.25
ECB Refinancing Rate	10/Sep/'26	2.65	2.40	0.25
BOE Bank Rate	19/Jun/'25	4.25	4.25	0.00
BOJ Prime Rate	09/Oct/'26	3.70	3.70	0.00
TRY ON Lending Rate	22/Jan/'26	40.00	41.00	-1.00

KEY INTERNATIONAL STORIES

US existing home sales rise in September; higher mortgage rates dim outlook

WASHINGTON, Oct 13 (Reuters) - US existing home sales unexpectedly increased in September, but the trend stayed subdued against the backdrop of rising mortgage rates and still higher prices, which have made the dream of owning a house unattainable for many young Americans. Home sales advanced 1.5% last month to a seasonally adjusted annual rate of 3.99 million units. August's sales were revised down to show a 3.2% drop instead of the previously reported 2.0%. Economists polled by Reuters had forecast home resales would decline to a rate of 3.95 million units.

UK will not raise capital gains tax to same level as income tax, FT reports

LONDON, Oct 13 (Reuters) - British finance minister John Healey will not raise capital gains tax to the same level as income tax, the FT reported on Tuesday citing four sources, following speculation that a policy change could be announced at the government budget on October 28. The FT said Healey could still opt for a smaller increase in capital gains tax, which is currently charged at 18% for basic-rate taxpayers and 24% for higher-rate taxpayers, compared to income tax rates of 20% and 40% paid by basic and higher-rate taxpayers.

Russia's oil output down 38,000 bpd in September from August, OPEC data shows

MOSCOW, Oct 13 (Reuters) - Russia's oil production declined further by 38,000 barrels per day in September from August to 8.643 million bpd, according to a copy of OPEC monthly data reviewed by Reuters on Tuesday. Deputy Prime Minister Alexander Novak has said that Russia would slightly reduce its oil output this year. Russia had downgraded the oil output outlook for this year to a 17-year low for 2026 due to the conflict with Ukraine, according to the economy ministry. In its monthly report, OPEC also said Kazakhstan's oil output last month rose by 22,000 bpd from August to 1.851 million bpd.

China factory-gate inflation heats up as commodity costs rise, CPI lags forecasts

BEIJING, Oct 14 (Reuters) - China's producer prices rose at their fastest pace in more than four years in September while consumer inflation edged up, as pricier oil and commodities lifted factory-gate costs even as weak domestic demand kept broader price pressures contained. The producer price index rose 5% from a year earlier, National Bureau of Statistics data showed on Wednesday, up from 3.8% in August and beating the estimated 4.5% rise in a Reuters poll. That marks the fastest pace of factory-gate inflation since June 2022. Core inflation, which excludes volatile food and energy prices, was up 1% on the year, unchanged from August.

Brazil announces bill to forgive \$2.5 billion in micro-entrepreneurs debt

BRASILIA/SAO PAULO, Oct 13 (Reuters) - Brazil announced it would send a bill to Congress aimed at forgiving micro-entrepreneurs' debt with the government, adding it seeks to tackle about 12.6 billion reais (\$2.51 billion) in debt. The government said in a statement it was also launching a program to purchase micro-entrepreneurs' debt with private sector. The government said debt forgiveness would reach some 3.6 million MEIs, purchase program would seek to buy about 6 billion reais in debt with discounts of at least 90%. The measures aim at creating conditions for the economic activities of MEIs, it added.

Oil prices climb as Iran deploys new tactics to target ships transiting Hormuz

TOKYO, Oct 14 (Reuters) - Oil prices climbed on Wednesday after two vessels were struck in the Strait of Hormuz and Iranian officials told Reuters they were deploying new tactics to target ships, as Tehran seeks to keep oil prices high and influence the US midterm elections. Brent crude futures rose 63 cents, or 0.6%, to \$106.32 a barrel, while US West Texas Intermediate crude futures gained 66 cents, or 0.7%, to \$94.80 a barrel. Both contracts rose more than \$1 in earlier trade before paring some gains. In Russia, the government said on Tuesday it did not see any direct link between peace talks with Ukraine and its deal to export diesel to the US.

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