

Market Commentary

KFH Treasury

Report produced on
15-Oct-2026



Forex Market



JAPANESE YEN



CLOSE

158.31

1M %chg

2.08%

3M %chg

-2.39%

USD/JPY off hard, good sales, JPY crosses mostly in stasis

15 Oct 2026 07:54:24 AM

- * USD/JPY off hard on good sales, lower US yields despite "hot" US CPI
- * Seems market may not be eyeing October Fed hike given split FOMC board
- * Yield on US Treasury 2s to 4.715%, 10s to 5.098% in Asia
- * Japanese exporters again on offer, likely joined by specs
- * USD/JPY from 158.95 high yesterday, 158.33 early high to 157.59 EBS
- * Back below 158.57 200-DMA, into 156.64-158.44 daily Ichimoku cloud
- * Eyes on 157.52 low October 8, 157.46 low October 5, 156.96 October 2
- * Massive option expiries in area to help contain spot action



EURO



CLOSE

1.1156

1M %chg

-3.35%

3M %chg

-2.68%

Most EUR pairs see some bounce after falls overnight

15 Oct 2026 08:51:58 AM

- * EUR/USD off to 1.1113 EBS in New York overnight, lowest since May 2025
- * Some bounce in Asia however led by USD/JPY move down, 1.1153 to 1.1228
- * Seems market may have overreacted to "hot" US CPI data, US yields off since
- * EUR/USD back above descending daily Ichimoku tenkan at 1.1194
- * Also back above 100/200-HMAs at 1.1187/1.1202, 1.1184-89 hourly Ichi cloud
- * Below total E2.8 bln between 1.1110-85, above E6.9 bln between 1.1250-75

Forex Market



POUND STERLING



CLOSE

1.3191

1M %chg

-2.10%

3M %chg

-2.57%

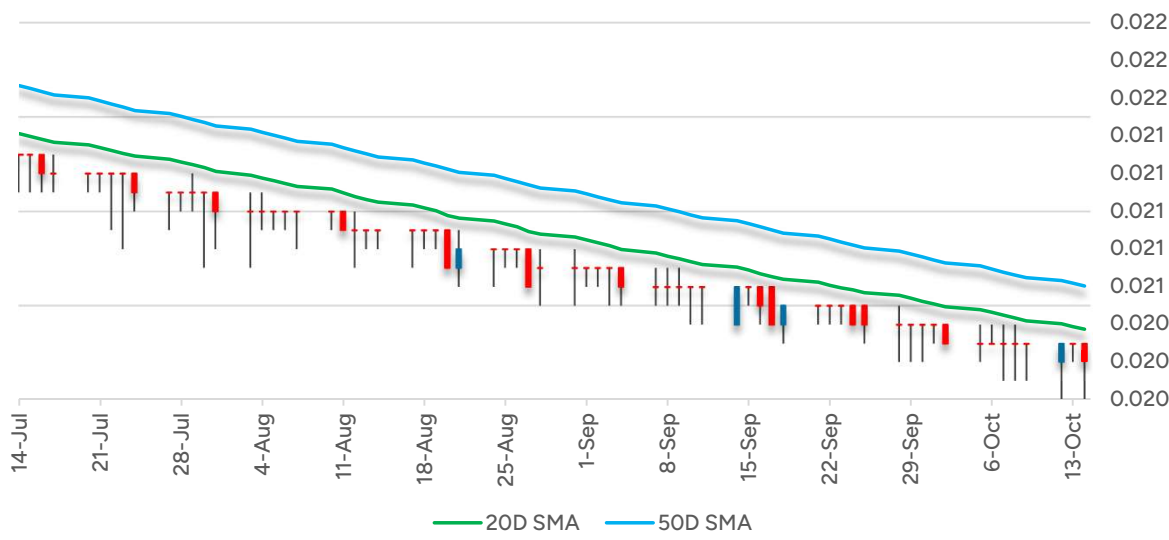
GBP/USD-Rallies as lower US yields, tech rout hit dollar

15 Oct 2026 07:07:23 AM

- * GBP/USD up 0.35% in active Asian trading as USD declines broadly
- * Boosted by lower US yields; 10-yr -8 bps, falls 22 bps from post-US CPI high
- * Flight to safety weighs on Treasury yields as tech stocks plunge in Asia
- * South Korea triggers 'sidecar' trading halt, KOSPI slumps over 7%
- * Nasdaq futures -1% as Fed rate fears hit debt-heavy AI infrastructure firms
- * Investors bet any further Fed tightening would be gradual
- * US PPI, UK Aug GDP, industrial & manufacturing output, trade data due Thu
- * GBP's strong recovery from 1.3140 support hints interim low in place
- * Resistance 1.3275-85, 1.3305-10, 1.3335-40; support 1.3225-30, 1.3190-1.3200



TURKISH LIRA



CLOSE

0.0202

1M %chg

-1.94%

3M %chg

-5.16%

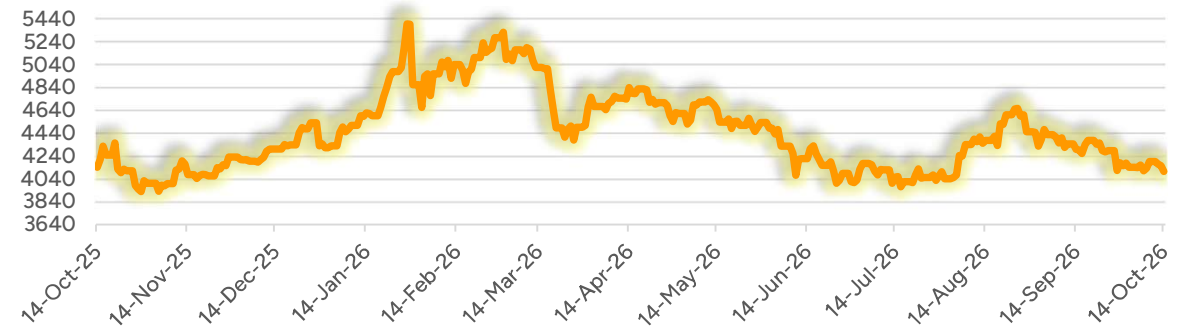
Turkish cenbank to maintain tight monetary stance till price stability, governor says

14 Oct 2026 09:46:56 AM

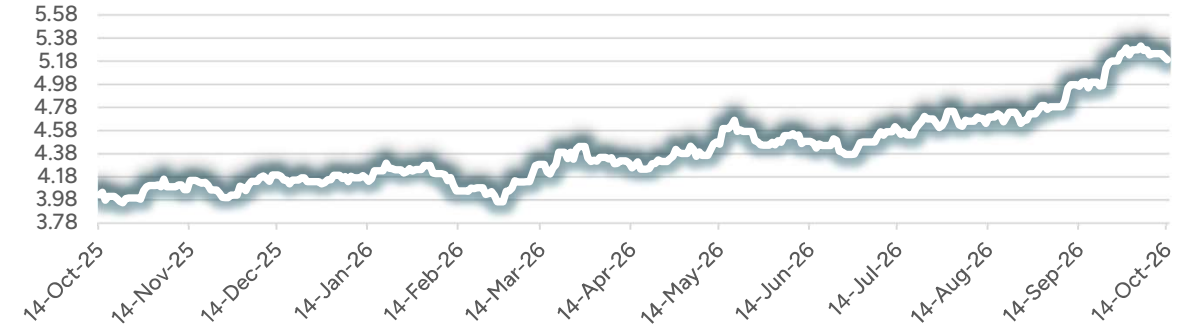
ANKARA, Oct 14 (Reuters) - Turkish Central Bank Governor Fatih Karahan on Wednesday said the bank would maintain its tight monetary policy until price stability is achieved. He was speaking about Turkey's monetary policy and macroeconomic outlook during a visit to Bangkok for a meeting of the World Bank. Turkish lira preference remains strong under tight monetary policy. The tight monetary policy stance, which will be maintained until price stability is achieved, will strengthen the disinflation process through demand, exchange rate, and expectation channels.

Gold, US Treasury & Dollar Index

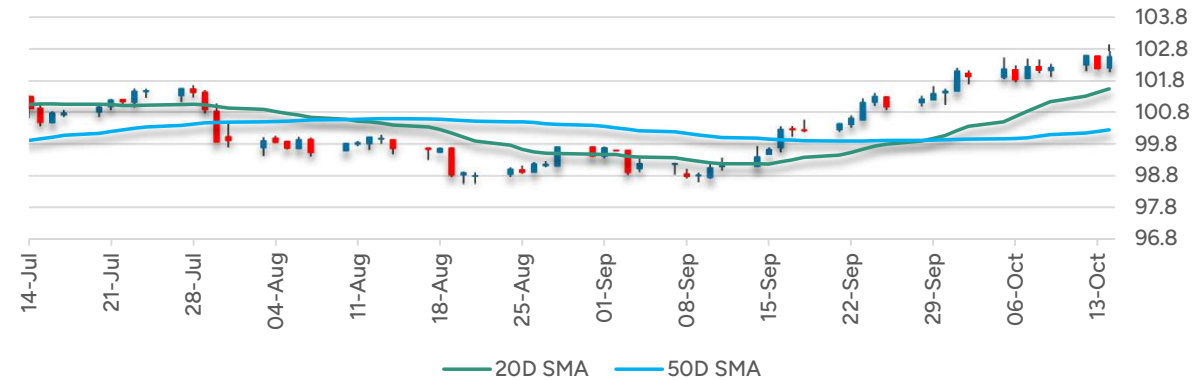
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

5.11

1M %chg

2.20%

3M %chg

12.34%

PRECIOUS-Gold rebounds from one-week low as dollar slips

15 Oct 2026 09:09:24 AM

Oct 15 (Reuters) - Gold prices climbed 1% on Thursday, rebounding from a one-week low hit in the previous session as the US dollar eased, while investors assessed the likelihood of a Federal Reserve interest rate increase this month after a hot inflation report. Spot gold XAU= rose 1% to \$4,146.74 per ounce, after hitting its lowest since October 7 on Wednesday. US gold futures GCcv1 for December delivery gained 1.5% to \$4,167.30. The dollar slipped after scaling an 18-month peak overnight. A softer dollar makes greenback-priced bullion more affordable for buyers overseas. US consumer prices accelerated in September as the cost of gasoline surged. Traders are pricing in about a 29% chance of a rate hike later this month, compared with 22% before the data, according to CME's FedWatch Tool. Among other metals, spot silver XAG= gained 0.7% to \$56.01, platinum XPT= rose 1% to \$1,608.20 and palladium XPD= climbed 1.3% to \$1,108.14.

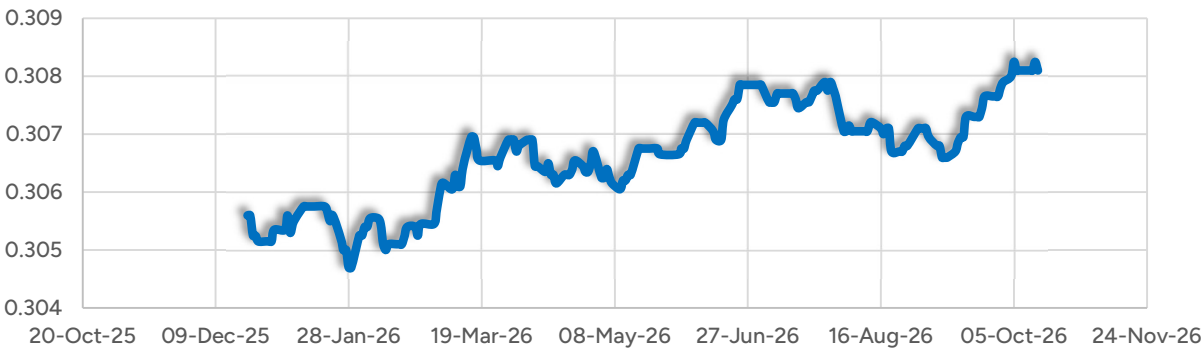
UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
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%
GDP Estimate YY	GB	15/Oct 09:00	Aug	1.60%	1.70%
Manufacturing Output MM	GB	15/Oct 09:00	Aug	0.90%	-0.10%
Services MM	GB	15/Oct 09:00	Aug	0.40%	-0.10%
Services YY	GB	15/Oct 09:00	Aug	2.10%	2.20%
Reserve Assets Total	EU	15/Oct 13:00	Sep	1858.85Bn€	
Initial Jobless Clm	US	15/Oct 15:30	W 10 Oct	197k	200k
PPI Machine Manuf'ing	US	15/Oct 15:30	Sep	199.5	

Daily Market Report



KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1195	1.1211	1.1112	1.1156	-0.38%
GBP	1.3251	1.3275	1.3132	1.3191	-0.46%
JPY	158.35	158.94	158.03	158.31	0.01%
TRY	0.0203	0.0203	0.02	0.0202	-0.49%
Dollar Idx	102.212	102.945	102.075	102.553	0.37%
Brent	106.25	107.15	105.21	106.06	0.35%
WTC	102.01	102.86	101.55	101.91	1.04%
Gold	4159.8	4170.0794	4073	4105.1224	-1.24%
KWSE Index	8646.84	8657.02	8531.37	8533.6	-1.40%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.63	3M	3.63
SW	3.31	6M	3.81
1M	3.44	1Y	4.00

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30815

3M% CHG

0.16%

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	4.20
3M	4.04	1Y	4.49

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 inflation heats up in September; Fed rate hike this month back on table

WASHINGTON, Oct 14 (Reuters) - US consumer prices accelerated in September as the cost of gasoline surged, dealing another blow to President Donald Trump and his Republican Party ahead of the November 3 midterm elections and putting an interest rate increase later this month back on the radar. The CPI rose 0.6% last month after climbing 0.4% in August, the Labor Department's Bureau of Labor Statistics said, in line with economists' expectations. In the 12 months through September, the CPI advanced 3.7% after rising 3.4% in August.

Bank of England's Pill says he's sceptical about market pricing four rate hikes

Oct 14 (Reuters) - Bank of England Chief Economist Huw Pill, who has voted for a quarter-point interest rate hike in recent months, said on Wednesday he was more sceptical about market pricing of four increases to borrowing costs by the BoE over the next year. Investors are pricing the chance of a quarter-point rate hike by the MPC at its next meeting in November as a near certainty followed by three more increases by September 2027. Pill said on Wednesday that the difference of views on the MPC had narrowed given the continued conflict in the Gulf.

China's September exports soar, putting \$1 trillion trade surplus in sight

BEIJING, Oct 14 (Reuters) - China's trade surplus widened more than expected in September as exports surged, keeping the country on track to surpass last year's record surplus and likely intensifying trade tensions with major partners. Exports soared 36.3% from a year earlier, outstripping August's 25.0% rise and far exceeding expectations for 25.5% growth, customs data showed on Wednesday. September's growth was the fastest since February when exports expanded 39.6%. Imports also remained robust, up 31.0% compared with 28.2% growth in August and economists' forecasts of a 24.5% gain.

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Australian employment falls in September, quashing rate hike risk

SYDNEY, Oct 15 (Reuters) - Australian employment unexpectedly fell in September, with the jobless rate staying at a five-year high of 4.7%, data showed on Thursday, a soft result that quashed the risk of another hike in interest rates this year. Markets now imply a nearly 90% chance the Reserve Bank of Australia will leave interest rates unchanged at 4.6% in November, up from 66% before the data, after delivering four rate hikes this year. The chance of a hike in December has fallen to just 32%, with another rate increase no longer fully priced in. The jobless rate stayed at 4.7%, with the previous month revised up from an initial 4.6% reading.

Thailand can return to 3% growth within 2-3 years, central bank official says

BANGKOK, Oct 14 (Reuters) - Thailand's return to economic growth of about 3% is "definitely possible" within three years if it can tackle some of its structural issues, a deputy central bank governor said on Wednesday, signalling alignment with the government's stance. The Bank of Thailand's monetary policy will remain accommodative for now and the policy rate, currently at 1.00%, will normalise only when the economy is ready, Piti Disyatat, the deputy governor for monetary stability, told Reuters. Piti said he expects the economy to grow 2.3% or slightly higher this year and to expand by 1.8% in 2027.

Oil prices retreat as investors weigh supply outlook, Middle East tensions

Oct 15 (Reuters) - Oil prices fell more than 1% on Thursday as investors weighed risks to supply from attacks on shipping through the Strait of Hormuz against US efforts to cut petroleum shipping costs by easing sanctions on vessels. Brent crude futures LCOc1 fell \$1.64, or 1.6%, to \$104.42 a barrel, while US West Texas Intermediate crude futures CLc1 were down 98 cents, or 1%, to \$94.11, reversing gains from the previous session. WTI rose to a three-week high in the prior session after the Houthis attacked Saudi Aramco's headquarters and Iran said it was deploying new tactics to target ships in the Strait of Hormuz and keep oil prices high.