Daily Market Commentary

Gulf Bank Treasury Sales Desk

CBK USD/KWD	0.30520	0.30530	October 16, 2025

Foreign Exchange Development

The U.S. dollar slipped on Thursday as the Sino-U.S. trade war sapped investor sentiment, while growing confidence of the U.S. Federal Reserve cutting its policy interest rate this year also weighed on the greenback.

The euro rose 0.14% to $1.1664 in early trade, hitting a one-week high. The yen also firmed to a one-week high of 150.52 per dollar.

The dollar index, which measures the greenback against six other currencies, was down 0.16% at 98.512, headed for a weekly decline of 0.33%. The Australian dollar slipped 0.4% to $0.6485 after data showed unemployment hit a near four-year high in September, adding to the case for interest rate cuts.

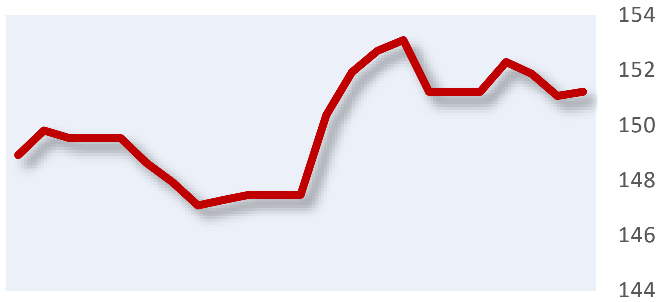
Oil prices rose by around 1% in early trade on Thursday after Trump said Indian Prime Minister Narendra Modi had pledged his country would stop buying oil from Russia, which supplies about one-third of its imports.

Gold hit a record high on Thursday, rising for a fifth session, as investors ramped up their safe-haven bets amid rising trade tensions between the world's two largest economies, a U.S. federal government shutdown and heightened rate-cut bets.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1655	-0.67	0.17	12.57
GBP/USD	1.3418	-0.23	-0.08	7.19
USD/CHF	0.7962	-0.04	-0.56	-12.28
USD/JPY	151.19	2.21	2.24	-3.61
AUD/USD	0.6493	-1.83	-0.55	4.90
USD/CAD	1.4036	0.88	2.57	-2.41
USD INDEX	98.61	0.85	-0.13	-9.10
Gold	**Silver**	**KWT OSP**	**Brent**	
4223.03	53.02	63.95	62.48	

USD/JPY - 1 Month



Economic Updates

Top U.S. officials blasted China's major expansion of rare earth export controls as a threat to global supply chains, but said Beijing could still change course and avoid steps by Washington to decouple from the world's second-largest economy.

The two-week-old federal government shutdown may cost the U.S. economy as much as $15 billion a week in lost output, a Treasury official said, correcting an earlier statement from Treasury Secretary Scott Bessent that put the cost at up to $15 billion per day.

The Bank of Japan should lift interest rates closer to levels deemed neutral to the economy given mounting inflationary pressures, hawkish board member Naoki Tamura said.

OPEC is moving to appoint "one of the top consultants" to visit member states and assess their production capacity in the coming months, Kuwait's oil minister Tareq Al-Roumi said on Wednesday.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	46,253.31	-17.15	-0.31	8.72
FTSE 100	9,424.75	-28.02	0.79	15.32
KUWAIT ALL	8,843.34	-15.48	0.54	20.11
Benchmark	**1 Month**	**3 Month**	**6 Month**	**12 Month**
TERM SOFR	4.03693	3.88163	3.73095	3.50554
EURIBOR	1.8970	2.0210	2.1060	2.1820
KIBOR	3.5625	3.8125	3.9375	4.1250
Benchmark	**1 Year**	**3 Year**	**5 Year**	**10 Year**
US TRSY	3.591	3.496	3.611	4.024
Benchmark	**ON**	**3 Month**	**6 Month**	**12 Month**
CBK BOND	-	3.875	4.000	4.125
KONIA	2.100			
SOFR	4.190			
Country	**KWT**	**US**	**EURO**	**UK**
INT. RATES	3.750	4.250	2.00	4.000

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
16Oct	United Kingdom	GDP Estimate YY	1.40	1.34
16Oct	United Kingdom	Services YY	1.5	1.7
16Oct	United Kingdom	Industrial Output YY	0.1	-0.67
16Oct	United Kingdom	Manufacturing Output YY	0	-1
16Oct	United States	Philly Fed Business Indx	23	7.68
17Oct	Euro Zone	HICP Final YY	2.20	2.2
24Oct	United States	CPI MM, SA	0.40	0.38

Source: Reuters and Bloomberg