Daily Market Commentary

Gulf Bank Treasury Sales Desk

بنك الخليج GULF BANK

CBK USD/KWD 0.30730 0.30740 — **September 20, 2026**

Foreign Exchange Development

The dollar jumped against the yen after two policymakers at the Bank of Japan dissented from a widely expected decision to raise interest rates, raising doubt among traders about the likelihood of further hikes.

The euro rose 0.5% to $1.1481 and was set to end the week 1% lower after the Fed's rate hike.

The British pound was 0.3% higher at $1.3391, after retail sales data beat expectations. The Bank of England held interest rates on Thursday but also suggested it could raise borrowing costs.

The Canadian dollar added to its weekly decline against its US counterpart as recent widening of the gap between US and Canadian bond yields weighed on the loonie.

Oil prices fell after China asked Iran to limit attacks by Houthi rebels on Saudi oil infrastructure that have threatened a second oil export route in the Middle East.

Gold prices rose to a one-week high, and were on track for their first weekly gain in four, as lower oil prices eased concerns about prolonged inflationary pressures.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1485	-1.15	0.24	-2.23
GBP/USD	1.3397	-1.04	1.45	-0.59
USD/CHF	0.8225	1.70	2.15	3.72
USD/JPY	156.91	-1.80	-2.79	0.13
AUD/USD	0.7121	-0.68	1.47	6.67
USD/CAD	1.3992	0.96	-1.05	1.92
USD INDEX	100.22	0.79	-0.80	1.93

Gold	Silver	KWT OSP	Brent
4379.44	66.28	125.71	103.55

USD/JPY - 1 Month

Economic Updates

The Bank of Japan raised interest rates to a 31-year high, with its governor signalling the central bank has entered a new phase focused on preventing inflation from overshooting its target, opening the door to further rate hikes.

US factory production unexpectedly fell in August and higher oil prices and rising interest rates could offset some of the support from an artificial intelligence buildout, likely keeping activity moderate for the rest of the year.

Saudi Arabia’s investments in US Treasury bonds and bills reached $142.4bn in July 2026, down 0.1% or $100m from June, but up $10.7bn or 8% compared with July 2025, Saudi Gazette reported citing the US Treasury Department.

Abu Dhabi's index closed higher on Friday, supported by gains in the healthcare and consumer staples sectors, while Dubai's market bucked the trend to end lower.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	51,682.64	-95.40	-2.83	7.53
FTSE 100	10,659.13	-157.01	-1.53	7.33
KUWAIT ALL	8,913.16	-28.88	0.18	0.06
Benchmark	**1 Month**	**3 Month**	**6 Month**	**12 Month**
TERM SOFR	3.89869	4.02325	4.18790	4.46092
EURIBOR	2.4730	2.6200	2.9780	3.3430
KIBOR	3.3750	3.5625	3.7500	4.0000
Benchmark	**1 Year**	**3 Year**	**5 Year**	**10 Year**
US TRSY	4.395	4.838	4.862	4.998
Benchmark	**ON**	**3 Month**	**6 Month**	**12 Month**
CBK BOND	-	3.625	3.750	3.875
KONIA	3.140			
SOFR	3.850			
Country	**KWT**	**US**	**EURO**	**UK**
INT. RATES	3.500	4.000	2.25	3.750

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
22Sep	Euro Zone	Consumer Confid. Flash	-15.5	-16.43
23Sep	Euro Zone	S&P MFG Flash PMI	52.70	52.59
23Sep	United States	S&P Global Mfg PMI Flash	53.90	53.03
24Sep	United States	Initial Jobless Clm	196	200.7
24Sep	United States	New Home Sales-Units	0.61	0.6162
25Sep	United States	Durable Goods	1.1	-0.31

Source: Reuters and Bloomberg