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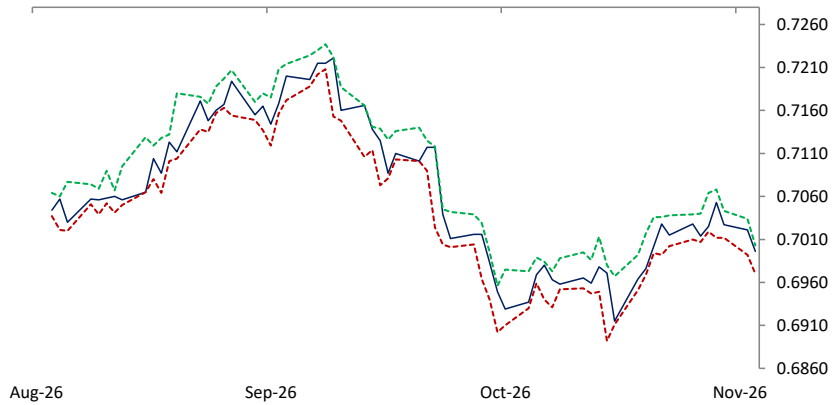
Key Market Highlights:

- The Reserve Bank of Australia (RBA) has raised its cash rate by 25 basis points to 4.85%, its highest level since 2008, marking its fifth increase this year and bringing cumulative tightening to 125 basis points. The decision passed by a six-to-three vote, with three policy makers favoring no change, highlighting growing divisions over the need for further tightening. While persistent inflation justified the increase, the split suggests policy makers may be approaching a point where they assess the cumulative impact of previous hikes before tightening further. This could temper expectations of another immediate increase and limit further Australian dollar appreciation. The Australian dollar's initial reaction will therefore depend less on the rate increase itself, which markets anticipated, and more on the RBA's willingness to maintain a restrictive stance. For neighbouring currencies, particularly the New Zealand dollar, the higher Australian yield could provide some indirect competitive pressure on regional capital flows, although there is no clear evidence of an immediate spill-over. Overall, the decision reinforces Australia's relatively hawkish monetary position while the divided vote introduces greater uncertainty over the next policy move.
- The dollar remains broadly supported as markets weigh the consistency and validity backing renewed US-Iran tensions, US midterm election uncertainty and an AI-driven stock market decline. The dollar index edged up to ~101.81, while the Euro and Japanese yen remained relatively unchanged. Despite the expected RBA increase, the Australian dollar fell as much as ~0.35% to ~$0.6974, reinforcing the view that the decision was already priced into markets. Within energy markets, Brent crude recovered ~0.5% to ~$105.25 after having previously fallen. There bound followed US strikes on Iran's Qeshm Island, which undermined expectations of progress towards a diplomatic agreement and renewed concerns over regional oil supply disruptions. The reversal in crude prices could revive energy-driven inflation concerns, potentially complicating central bank decisions and supporting currencies of major energy exporters. For the dollar, geopolitical uncertainty and safe-haven demand remain supportive, although further developments in the Middle East will be central to the direction of both oil and foreign exchange markets. Adding onto any potential complications following the upcoming results of the midterm elections paving a potential domestic and foreign policy direction moving forward.

AUD/USD
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1100	1.1135	1.1185	1.1235	1.1300
GBP	1.3295	1.3355	1.3405	1.3450	1.3500
JPY	156.65	157.45	157.90	158.35	159.05
CHF	0.8070	0.8150	0.8185	0.8235	0.8295

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1185	4.71	EUR/GBP	0.8343	4.26
GBP/USD	1.3405	0.46	GBP/JPY	211.70	0.28
USD/JPY	157.94	0.74	EUR/JPY	176.68	4.00
USD/CHF	0.8184	3.19	EUR/CHF	0.9156	1.68

Brief Technical Commentary

EUR/USD consolidates near 1.1187 after fading from Monday's 1.1237 high, holding just above flat 1H EMAs while the broader structure of lower highs and lower lows keeps the tone tilted lower. Initial support is seen at 1.1135, followed by 1.1100; resistance stands at 1.1235 and then 1.1300, with momentum neutral as the pair struggles to sustain gains within the broader downtrend.

GBP/USD consolidates near 1.3406 after stalling below Monday's 1.3448 high, holding above a bullish 1H EMA stack as the narrowing intraday range sits within a broader uptrend. Initial support is seen at 1.3355, followed by 1.3295; resistance stands at 1.3450 and then 1.3500, while momentum remains neutral and the bullish higher-timeframe structure remains intact.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	110.40	4.12	Dow Jones	51,983.98	0.41
Brent	105.26	0.47	Nikkei 225	63,081.86	0.33
West Texas	97.04	0.60	S&P 500	7,541.40	0.51
Gold	3,929.23	0.43	KuwaitSE	8,428.01	0.97

Economic Events	Country	Event	Actual	Forecast	Previous
02-Nov-26	USD	ISM Manufacturing PMI	55.5	54.5	54.5
03-Nov-26	AUD	Cash Rate	4.85%	4.85%	4.60%
03-Nov-26	CHF	CPI m/m		0.0%	0.0%
03-Nov-26	USD	Congressional Elections			
04-Nov-26	NZD	Unemployment Rate		5.5%	5.6%
04-Nov-26	EUR	CPI Flash Estimate y/y		4.0%	3.8%
04-Nov-26	USD	ISM Services PMI		54.9	54.9
05-Nov-26	GBP	Official Bank Rate		4.00%	3.75%
06-Nov-26	CAD	Unemployment Rate		6.5%	6.5%
06-Nov-26	USD	Non-Farm Employment Change		63K	29K

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.88	3.44	3.63	3.88	4.06
USD	3.95	3.90	4.04	4.16	4.38
EUR	2.40	2.43	2.68	2.99	3.31
GBP	3.73	3.96	4.04	4.22	4.52

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.37	4.59	4.71	4.92	5.29
Germany	2.85	3.00	3.11	3.29	3.66
United Kingdom	4.53	4.80	4.84	5.19	5.64
Japan	1.68	1.87	2.21	2.75	3.85

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