PUBLIC

TREASURY GROUP
NATIONAL BANK OF KUWAIT

Treasury Daily Newsletter

24-Aug-26

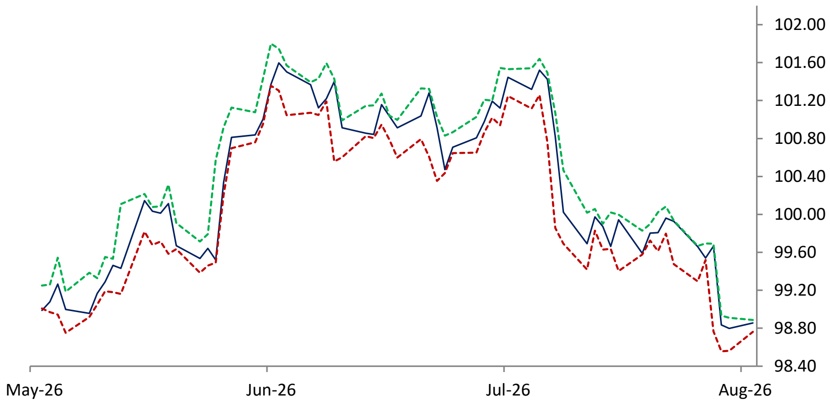
Kuwaiti Dinar Today 0.30670 / 0.30680

Key Market Highlights:

- The U.S. dollar continues it's downward trajectory; progressing through the start of this week with further lows as the dollar index declines roughly ~0.9% with ever increasing pressure by concerns over U.S. debt, monetary policy and Treasury intervention(s). The Treasury's decision to double long-bond buybacks to $4 billion per operation has done little to calm markets, while 30-year yields remain near a 19-year high, reinforcing concerns that fiscal risks are undermining confidence in U.S. assets. The key test now comes from the upcoming Jackson Hole address by Fed Chair Kevin Warsh, alongside this week's U.S. PCE and preliminary GDP data, which could materially reshape expectations for the Fed's next move. Markets currently imply roughly a ~40% probability of a September Fed hike, leaving the dollar highly sensitive to whether inflation data strengthen or weaken that expectation. A hawkish Warsh message could stabilize confidence in the dollar, while a cautious stance combined with softer inflation would reinforce the market's growing concern over the currency's longer-term credibility. That concern is already visible in demand for alternatives, with gold rising more than ~15% this month as investors seek protection from fiscal and currency risks.

- The euro is holding firmly above ~1.16, trading around ~1.1685 after rising roughly 3% from its mid-June low-range stability and reaching a recent high near ~1.17. EUR/USD; therefore testing an important resilience barrier around the ~1.17 realm, where sustained strength would signal that the dollar's deterioration is becoming a broader shift in relative confidence rather than a temporary move. European economic data have also marginally strengthened the euro's position, with euro-zone business activity reaching an eight-month high while U.S. data have recently produced weaker signals, including an unexpected fall in retail sales. Simultaneously, gold has been extending its breakout, with spot prices reaching ~$4,640.29 today, the highest level since May 15, as the weaker dollar and policy uncertainty support demand.

U.S. Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1580	1.1630	1.1680	1.1750	1.1800
GBP	1.3550	1.3600	1.3645	1.3700	1.3750
JPY	158.00	158.40	158.90	159.40	160.00
CHF	0.7900	0.7950	0.8000	0.8050	0.8100

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1679	0.57	EUR/GBP	0.8556	1.78
GBP/USD	1.3633	1.22	GBP/JPY	216.85	2.73
USD/JPY	158.93	1.47	EUR/JPY	185.59	0.90
USD/CHF	0.8009	1.05	EUR/CHF	0.9355	0.44

Brief Technical Commentary

EURUSD yet again testing resistance at 1.1680, a break above the previous high of 1.1710 will push us closer to resistance at 1.1750 followed by 1.1800. Support for the pair is at 1.1630 and 1.1580.

The yen continues it's range bound trading after reaching a low of 158 off the back of the US treasury buyback announcement, currently under the 159 handle, support is at 158.40 followed by 158.00. Resistance for the pair is at 159.40 and 160.00.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	108.20	0.15	Dow Jones	53,277.01	0.98
Brent	93.21	1.25	Nikkei 225	65,631.01	0.58
West Texas	85.74	1.52	S&P 500	7,674.37	0.43
Gold	4,640.49	0.81	KuwaitSE	8,876.85	0.18

Economic Events	Country	Event	Actual	Forecast	Previous
24-Aug-26	USD	Treasury Secretary Bessent Speaks			
25-Aug-26	USD	CB Consumer Confidence		90.3	90.8
26-Aug-26	AUD	CPI y/y		3.3%	3.8%
26-Aug-26	USD	Core PCE Price Index m/m		0.2%	0.1%
26-Aug-26	USD	Prelim GDP q/q		1.5%	1.5%
27-Aug-26	USD	Unemployment Claims		208K	206K
28-Aug-26	JPY	Tokyo Core CPI y/y		1.8%	1.9%
21-Aug-26	CAD	GDP m/m		0.2%	0.3%
21-Aug-26	USD	Fed Chair Warsh Speaks			
21-Aug-26	USD	Jackson Hole Symposium			

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.56	3.38	3.56	3.75	3.94
USD	3.63	3.67	3.74	3.84	3.99
EUR	2.16	2.22	2.52	2.77	3.00
GBP	3.73	3.74	3.80	3.92	4.14

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.98	4.22	4.40	4.70	5.24
Germany	2.59	2.81	2.93	3.23	3.74
United Kingdom	4.01	4.32	4.54	5.02	5.77
Japan	1.43	1.66	2.11	2.87	4.04