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TREASURY GROUP
NATIONAL BANK OF KUWAIT

Treasury Daily Newsletter

20-Jul-26

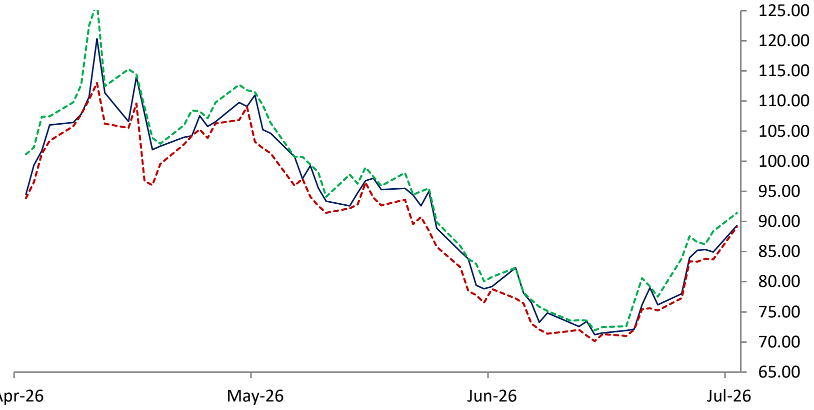
Kuwaiti Dinar Today 0.30755 / 0.30765

Key Market Highlights:

- The U.S. dollar strengthened modestly at the start of the week as investors shifted toward safe-haven assets amid further escalating geopolitical tensions- with striked against Iran and the surrounding GCC area intensifying. Markets continue to be increasingly focused on the Federal Reserve after rising oil prices kept concerns steady that inflation could remain persistent. Futures markets now assign higher odds to another Fed rate hike later this year, with expectations for a possible September move gaining traction. The dollar climbed to its strongest level against the yen since early July, while the euro edged lower and sterling traded broadly flat. Traders are also weighing the inflationary implications of higher energy costs ahead of the Fed's next policy meeting. The evolving Fed outlook remains the primary driver of near-term U.S. dollar direction.

- Oil prices surged nearly 3%, with Brent crude climbing above ~$90 per barrel for the first time since June as the U.S. and Iran intensified military action in the Middle East. Renewed disruptions to shipping through the Strait of Hormuz have heightened concerns over global crude supply and pushed energy markets sharply higher. The rally in oil has also increased fears of returning to previous energy-resource barriers, complicating the outlook for central banks worldwide. Against that backdrop, the euro weakened modestly against the U.S. dollar as investors favored the safe-haven appeal. Markets are also looking ahead to this week's European Central Bank meeting, where policymakers are expected to leave interest rates unchanged while monitoring the inflation risks posed by higher energy prices. Analysts continue to warn that any prolonged disruption to Gulf oil exports could keep crude prices elevated and sustain volatility across foreign exchange markets. Rising oil prices are therefore reinforcing demand for the dollar while weighing on currencies more exposed to imported energy costs.

U.S. Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1350	1.1400	1.1440	1.1480	1.1530
GBP	1.3370	1.3425	1.3470	1.3505	1.3550
JPY	161.30	161.90	162.35	162.80	163.40
CHF	0.7980	0.8030	0.8070	0.8120	0.8170

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1439	2.62	EUR/GBP	0.8503	2.55
GBP/USD	1.3453	0.09	GBP/JPY	218.37	3.59
USD/JPY	162.39	3.66	EUR/JPY	185.74	0.95
USD/CHF	0.8072	1.88	EUR/CHF	0.9232	0.84

Brief Technical Commentary

EUR/USD: The pair remains range-bound around 1.1440 area after last week's rally, with momentum stabilizing as buyers defend 1.1400. A sustained move above 1.1480 is needed to retest the 1.1500 psychological resistance.

GBP/USD: Cable is recovering from the recent pullback, with momentum improving as the pair edges back toward 1.3500 handle. The broader bullish structure remains intact while price holds above 1.3425, although a break above 1.3505 is required to confirm renewed upside.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	87.54	4.60	Dow Jones	52,146.42	0.77
Brent	90.21	2.40	Nikkei 225	64,141.12	4.03
West Texas	84.24	2.12	S&P 500	7,457.69	1.01
Gold	4.21.35	0.10	KuwaitSE	8,635.29	0.20

Economic Events	Country	Event	Actual	Forecast	Previous
20-Jul-26	CAD	CPI m/m		-0.2%	1.0%
21-Jul-26	NZD	CPI q/q		1.5%	0.9%
22-Jul-26	GBP	CPI y/y		2.7%	2.8%
23-Jul-26	AUD	Employment Change		15.2K	40.3K
23-Jul-26	AUD	Unemployment Rate		4.4%	4.4%
23-Jul-26	EUR	Main Refinancing Rate		2.40%	2.40%
23-Jul-26	EUR	Monetary Policy Statement			
23-Jul-26	USD	Unemployment Claims		211K	208K
23-Jul-26	EUR	ECB Press Conference			
24-Jul-26	GBP	Retail Sales m/m		-0.1%	1.2%

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.56	3.44	3.63	3.81	3.94
USD	3.62	3.67	3.73	3.84	3.99
EUR	2.12	2.21	2.48	2.69	2.87
GBP	3.73	3.75	3.81	3.94	4.14

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.98	4.19	4.30	4.57	5.09
Germany	2.57	2.79	2.88	3.12	3.64
United Kingdom	4.18	4.39	4.56	4.99	5.67
Japan	1.23	1.42	1.91	2.68	3.84