

Treasury Daily Newsletter

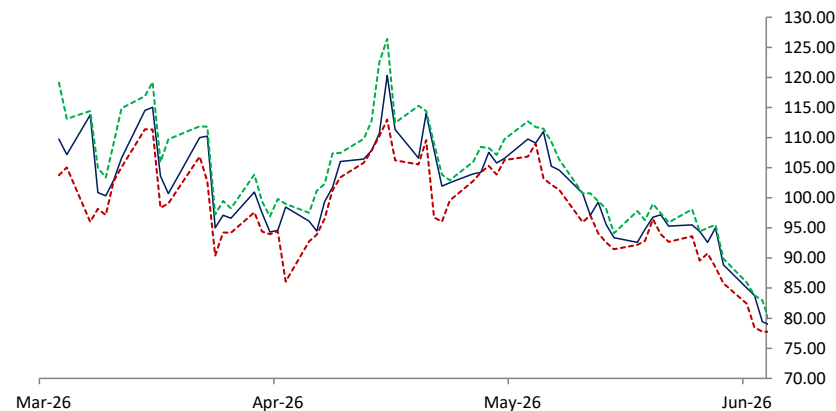
18-Jun-26

Kuwaiti Dinar Today 0.30725 / 0.30735

Key Market Highlights:

- The Federal Reserve left the federal funds rate unchanged at 3.75%, but the June FOMC meeting delivered a distinctly hawkish message. Updated "dot plot" projections showed that nearly half of policymakers now expect at least one rate hike before year-end, while the statement removed previous language that had pointed toward potential easing. This shift presents as a clear signal that inflation remains the Fed's primary concern, particularly after stringent energy-driven price pressures earlier this year. The result was a stronger U.S. dollar, higher Treasury yields, and a Dollar Index returning on the rise to ~100.22 as expectations increase for tighter policy into late 2026. Furthermore, futures markets are now heavily pricing the possibility of a rate increase by year-end, reinforcing broad support. In energy markets, oil prices declined after the U.S. and Iran signed an interim peace agreement (MoU, Memorandum of Understanding) that could restore Iranian crude exports and normalize flows as a whole throughout the region through the Strait of Hormuz with its reopening; with President Trump's aim to place the war in the "rearview mirror".
- Both the euro and the pound weakened immediately to USD after the Fed decision (~1.1517 and ~1.3308 respectively) as widening U.S.-Europe rates and geopolitical action favored the dollar. Sterling remained under pressure ahead of the Bank of England decision despite stabilization attempts from progressive declines that now persist against USD. Further lowering of oil prices continue to ease inflation pressures for Europe and other major energy importers, yet require substantial time in order to take effect- for now the dominant market theme remains the Fed's hawkish pivot, which continues to underpin dollar strength against both the euro and pound.

ICE Brent Crude Futures
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1400	1.1445	1.1525	1.1600	1.1685
GBP	1.3215	1.3260	1.3315	1.3480	1.3550
JPY	157.30	159.10	160.60	161.00	161.50
CHF	0.7795	0.7870	0.7985	0.8045	0.8100

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1499	1.91	EUR/GBP	0.8651	0.75
GBP/USD	1.3291	1.17	GBP/JPY	213.49	1.35
USD/JPY	160.63	2.53	EUR/JPY	184.75	0.59
USD/CHF	0.7996	0.81	EUR/CHF	0.9197	1.14

Brief Technical Commentary

The EURUSD pair declined in its latest intraday trading, amid emerging negative signals from the RSI, breaching yesterday's low will push pair to test 1.1445 support.

The USDJPY pair surged higher during recent intraday trading, supported by continued trading above the 4H EMA50, providing strong dynamic support and reinforces short-term bullish trend.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	84.68	1.66	Dow Jones	51,492.55	0.98
Brent	77.77	2.24	Nikkei 225	69,902.25	1.94
West Texas	74.85	1.94	S&P 500	7,420.10	1.21
Gold	4,314.44	1.35	KuwaitSE	8,825.63	0.13

Economic Events	Country	Event	Actual	Forecast	Previous
16-Jun-26	JPY	BOJ Policy Rate	<1.00%	<1.00%	<0.75%
16-Jun-26	AUD	Cash Rate	4.35%	4.35%	4.35%
17-Jun-26	GBP	CPI y/y	2.8%	3.00%	2.80%
17-Jun-26	USD	Core Retail Sales m/m	0.8%	0.50%	0.70%
17-Jun-26	USD	Retail Sales m/m	0.9%	0.50%	0.50%
17-Jun-26	USD	Federal Funds Rate	3.75%	3.75%	3.75%
18-Jun-26	NZD	GDP q/q	0.8%	0.80%	0.20%
18-Jun-25	CHF	SNB Policy Rate	0.00%	0.00%	0.00%
18-Jun-26	GBP	Official Bank Rate	3.75%	3.75%	3.75%
18-Jun-26	USD	Unemployment Claims	225K	229K	229K

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.44	3.38	3.56	3.75	3.94
USD	3.63	3.64	3.68	3.74	3.88
EUR	2.01	2.21	2.41	2.59	2.76
GBP	3.73	3.74	3.78	3.86	4.00

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.95	4.16	4.23	4.45	4.89
Germany	2.43	2.60	2.67	2.93	3.47
United Kingdom	4.02	4.14	4.29	4.76	5.47
Japan	1.11	1.38	1.85	2.61	3.76

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