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TREASURY GROUP
NATIONAL BANK OF KUWAIT

Treasury Daily Newsletter

14-Jul-26

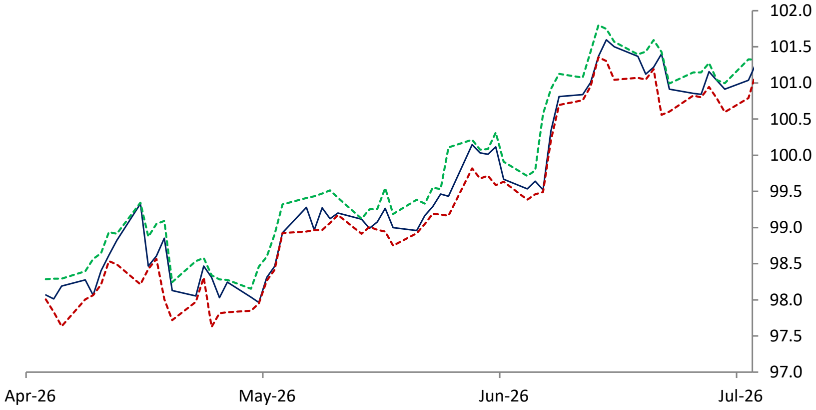
Kuwaiti Dinar Today 0.30770 / 0.30780

Key Market Highlights:

- The US dollar index held near 101.2 after rallying sharply, supported by renewed safe-haven demand as tensions around the Strait of Hormuz intensified. The escalation pushed oil prices higher and revived concerns that rising energy costs could prolong inflationary pressures across major economies. Investors are now focused on upcoming US inflation data and Federal Reserve Chair Kevin Warsh's congressional testimony for further guidance on the policy outlook. Markets have shifted toward a more hawkish stance, assigning around a 51% probability to a September rate increase, while the likelihood of rates remaining unchanged has fallen to approximately 23%. The dollar strengthened against most major currencies as investors sought safety and adjusted expectations for US interest rates.

- Australian consumer confidence improved in July, with the Westpac–Melbourne Institute index rising 4.1% to 83.9 and reversing the previous month's 2.9% decline. The recovery reflected easing concerns surrounding energy prices, higher interest rates and potential weakness in the labour market. Household perceptions of their financial position strengthened, particularly expectations for the coming year, which rose 13.4% to 96.5. Broader economic expectations also improved modestly, while unemployment concerns declined and consumers became slightly more willing to purchase major household items. Nevertheless, confidence remains within the lowest of the survey's 50-year history, highlighting the continued fragility of household sentiment. Inflation remains the Reserve Bank of Australia's primary concern, with the upcoming quarterly CPI report expected to play a decisive role ahead of a possible 25-basis-point rate increase in August.

U.S. Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1300	1.1350	1.1390	1.1435	1.1500
GBP	1.3260	1.3300	1.3360	1.3405	1.3480
JPY	161.00	161.60	162.30	162.80	163.50
CHF	0.8050	0.8095	0.8140	0.8190	0.8240

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1381	3.05	EUR/GBP	0.8525	2.20
GBP/USD	1.3346	0.88	GBP/JPY	216.61	2.71
USD/JPY	162.42	3.61	EUR/JPY	184.88	0.46
USD/CHF	0.8144	2.70	EUR/CHF	0.9270	0.44

Brief Technical Commentary

EUR/USD: The pair is attempting to stabilize after yesterday's decline, with momentum recovering as the pair holds above 1.1390. A move through 1.1435 is needed to confirm a stronger recovery, while 1.1350 remains the first support to watch.

GBP/USD: The pair is rebounding from yesterday's lows, although the broader structure remains range-bound beneath 1.3405 resistance. Buyers need a sustain break above 1.3405 to shift the near-term bias higher.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	83.47	7.24	Dow Jones	52,498.64	0.26
Brent	84.88	1.90	Nikkei 225	67,514.52	0.40
West Texas	79.77	2.09	S&P 500	7,515.34	0.79
Gold	4,028.70	0.57	KuwaitSE	8,693.32	0.16

Economic Events	Country	Event	Actual	Forecast	Previous
14-Jul-26	GBP	BOE Gov Bailey Speaks			
14-Jul-26	USD	CPI m/m		-0.1%	0.5%
14-Jul-26	USD	Fed Chairman Warsh Testifies			
15-Jul-26	USD	PPI m/m		0.0%	1.1%
15-Jul-26	CAD	Overnight Rate		2.25%	2.25%
15-Jul-26	USD	Fed Chairman Warsh Testifies			
16-Jul-26	GBP	GDP m/m		0.1%	-0.1%
16-Jul-26	USD	Core Retail Sales m/m		-0.1%	0.8%
16-Jul-26	USD	Unemployment Claims		215K	215K
17-Jul-26	USD	Prelim UoM Inflation Expectations			4.6%

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	3.55	3.68	3.75	3.87	4.03
EUR	2.17	2.27	2.41	2.63	2.83
GBP	3.73	3.75	3.80	3.92	4.09

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.09	4.28	4.38	4.62	5.10
Germany	2.58	2.74	2.84	3.08	3.63
United Kingdom	4.18	4.38	4.55	5.00	5.70
Japan	1.23	1.43	1.94	2.70	3.73