

Treasury Daily Newsletter

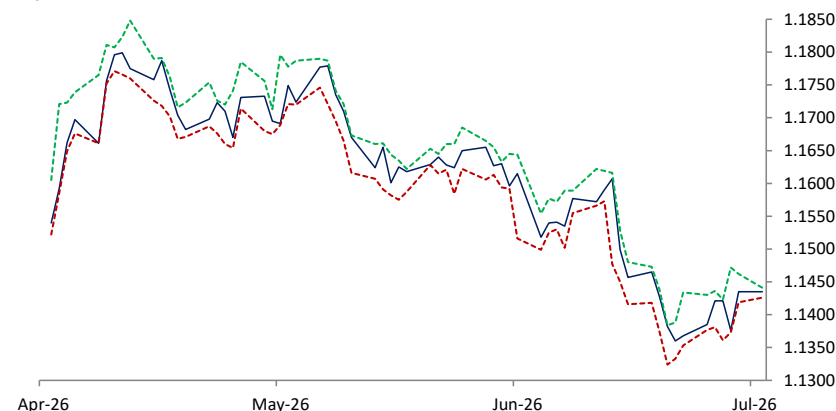
6-Jul-26

Kuwaiti Dinar Today 0.30755 / 0.30765

Key Market Highlights:

- The U.S. dollar shows the driving impact of labor market expectations after June nonfarm payrolls came in well below forecasts at 57,000 jobs, reinforcing evidence that hiring momentum is cooling despite unemployment edging down to 4.2%. Markets continue to balance softer employment data against Federal Reserve confidence that inflation pressures are gradually easing toward the 2% target, leaving expectations for future policy highly data dependent and ever closely watched following tremors in FX as we leave those behind entering into the openings of this week. Any renewed upside surprise in inflation or resilience in employment would support the dollar and Treasury yields thus far, while weaker labor or inflation readings would increase pressure for a more accommodative Fed stance. Furthermore, energy markets still remain an important variable despite not being as heavily covered, as stabilizing oil prices continue to reduce near-term inflation risks but remain sensitive to geopolitical developments.
- Eurozone inflation has continued to cool faster than expected, reinforcing expectations that the European Central Bank can maintain a less restrictive policy path if labor market conditions remain stable, and the energy shocks following the disturbances within the Strait of Hormuz fade in relief. Softer inflation has provided near-term support for the euro by reducing uncertainty around future policy, although the slower economic growth continues to limit upside potential. Sterling remains primarily influenced by slower wage growth and higher unemployment; strengthening expectations for further Bank of England easing. Unless inflation reaccelerates materially, the pound is likely to remain more sensitive to labor market deterioration than inflation surprises, leaving GBP performance increasingly dependent on incoming employment data while EUR trading continues to track inflation trends and ECB policy expectations.

EUR/USD 3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1325	1.1380	1.1430	1.1470	1.1550
GBP	1.3235	1.3290	1.3340	1.3385	1.3450
JPY	160.80	161.40	161.95	162.50	163.00
CHF	0.7940	0.8000	0.8045	0.8100	0.8140

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1435	2.75	EUR/GBP	0.8566	1.71
GBP/USD	1.3351	1.05	GBP/JPY	215.26	2.44
USD/JPY	161.37	3.53	EUR/JPY	184.53	0.70
USD/CHF	0.8033	1.63	EUR/CHF	0.9187	1.18

Brief Technical Commentary

EUR/USD: The pair remains range-bound after failing to sustain the latest recovery with momentum softening beneath the 1.1470 resistance area. The pair continues to consolidate above 1.1380, while a break of either boundary is needed to establish the next directional move.

USD/JPY: The pair edges higher after a sharp recovery from the recent sell-off, with price holding above 161.40 and retracing towards 162.00 psychological level. Momentum has improved, although resistance around 162.50 area may limit further gains in the near term.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	68.83	0.49	Dow Jones	52,900.07	1.14
Brent	71.94	0.25	Nikkei 225	69,491.71	0.36
West Texas	68.69	0.00	S&P 500	7,483.24	0.01
Gold	4,166.60	0.99	KuwaitSE	8,719.01	0.25

Economic Events	Country	Event	Actual	Forecast	Previous
06-Jun-26	USD	ISM Services PMI		54.2	54.5
07-Jun-26	GBP	BOE Gov Bailey Speaks			
08-Jul-26	NZD	Official Cash Rate		2.50%	2.25%
08-Jul-26	USD	Final Wholesale Inventories m/m		0.3%	0.3%
08-Jul-26	USD	Crude Oil Inventories			-3.8M
08-Jul-26	USD	FOMC Meeting Minutes			
19-Jul-26	USD	Unemployment Claims		218K	215K
10-Jul-26	CAD	Employment Change		10.0K	87.8K
10-Jul-26	CAD	Unemployment Rate		6.6%	6.6%
10-Jul-26	USD	Fed Monetary Policy Report			

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.50	3.44	3.56	3.75	4.00
USD	3.66	3.67	3.75	3.87	4.03
EUR	2.15	2.21	2.32	2.55	2.71
GBP	3.73	3.74	3.77	3.84	3.96

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.91	4.12	4.21	4.47	4.98
Germany	2.40	2.53	2.64	2.92	3.50
United Kingdom	3.97	4.12	4.30	4.78	5.51
Japan	1.20	1.38	1.93	2.82	4.07