TREASURY GROUP
NATIONAL BANK OF KUWAIT

Treasury Daily Newsletter

21-Jul-26

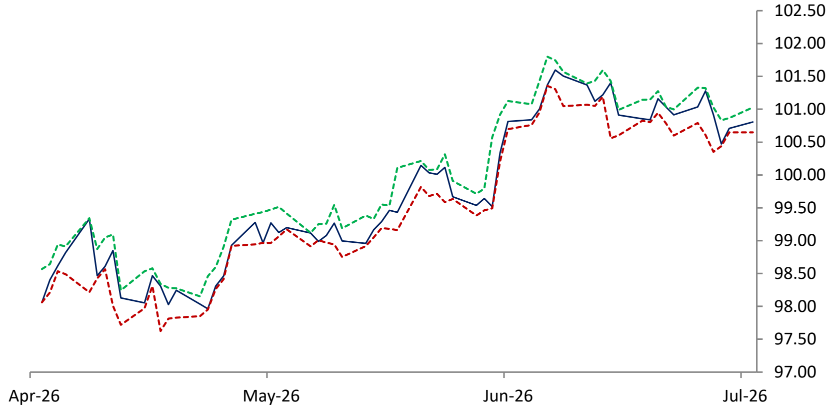
Kuwaiti Dinar Today 0.30765 / 0.30775

Key Market Highlights:

- Gold edged past $4,000 per ounce on Tuesday, though it hovered near a nine-month low as the escalating war with Iran fueled fears of energy inflation and elevated interest rates. With US strikes against Iran reaching a tenth day, President Trump threatened retaliation for the deaths of three US service members, while Houthi forces targeted Saudi maritime traffic in the Red Sea. Despite ongoing hostilities, reports suggested a potential 10-day ceasefire and active diplomatic efforts. Concurrently, The US dollar index held around 101 on Tuesday following three consecutive days of gains, supported by rising crude prices and renewed inflation fears stemming from the US-Iran war. However, diplomatic momentum emerged as Iran acknowledged new proposals to defuse tensions amid rumors of a potential 10-day ceasefire. In response to energy risks, markets pushed the likelihood of a September Federal Reserve rate hike to 55%, up from 51%. Fed officials have now entered their pre-meeting blackout period, with interest rates widely expected to remain steady at the upcoming FOMC gathering.

- New Zealand's annual inflation rate quickened to a higher than expected 4.1% in the second quarter of 2026, up from 3.1% in Q1 and hitting its highest point since late 2023. The spike breached the Reserve Bank of New Zealand's 1–3% target band, largely driven by a 10.6% surge in transport costs, which were fueled by soaring fuel prices. Housing and utilities also added upward pressure with a 3.6% gain, boosted by a 12.0% jump in electricity costs. While price growth accelerated across categories like communication, apparel, and alcohol, inflation eased in food and health services. On a quarter-over-quarter basis, consumer prices rose 1.5% beating market expectations of 1.4% and marking the fastest quarterly increase since Q3 2023.

U.S. Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1320	1.1380	1.1420	1.1470	1.1550
GBP	1.3335	1.3400	1.3440	1.3480	1.3560
JPY	161.30	162.00	162.50	163.00	163.60
CHF	0.8010	0.8050	0.8100	0.8150	0.8190

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1414	2.78	EUR/GBP	0.8497	2.59
GBP/USD	1.3428	0.19	GBP/JPY	218.19	3.57
USD/JPY	162.49	3.75	EUR/JPY	185.46	0.88
USD/CHF	0.8098	2.21	EUR/CHF	0.9245	0.66

Brief Technical Commentary

EUR/USD: The pair is under mild pressure after failing to sustain gains above 1.1450. The pair continues to consolidate around 1.1420, while a break below 1.1400 would expose 1.1380 then 1.1320.

GBP/USD: Cable remains range-bound with buyers attempting to build momentum above 1.3430. Initial resistance is seen at 1.3480, while a sustain move above this level would improve the near-term outlook toward 1.3560.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	86.77	0.16	Dow Jones	51,839.26	0.77
Brent	88.36	0.96	Nikkei 225	65,953.56	2.83
West Texas	82.84	0.47	S&P 500	7,443.28	0.19
Gold	4,071.10	1.37	KuwaitSE	8,651.67	0.29

Economic Events	Country	Event	Actual	Forecast	Previous
20-Jul-26	CAD	CPI m/m	-0.4%	-0.2%	1.0%
21-Jul-26	NZD	CPI q/q	1.5%	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	4.00
USD	3.59	3.67	3.73	3.84	3.99
EUR	2.12	2.21	2.48	2.69	2.87
GBP	3.73	3.76	3.82	3.96	4.17

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.97	4.20	4.31	4.58	5.11
Germany	2.58	2.77	2.87	3.15	3.65
United Kingdom	3.91	4.36	4.56	5.01	5.73
Japan	1.24	1.43	1.93	2.71	3.88