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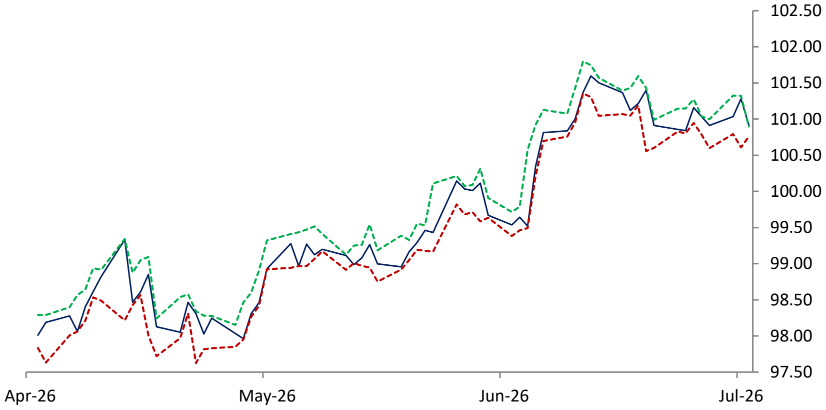
Key Market Highlights:

- The U.S. dollar and the DXY index see a sharp and ever-growing strength increase fueled by goepolitical tensions and the recent doubling down on fiscal policy. Furthermore, traders sharply reduced expectations for a July Federal Reserve rate hike. Softer core inflation reinforced the view that underlying price pressures are easing despite elevated geopolitical risks yet USD safehaven pressure remains. Markets now see only a limited chance of a July rate increase, shifting attention toward incoming inflation and labor market data. During his congressional testimony, Federal Reserve Chair Kevin Warsh reiterated that the Fed has “no tolerance” for persistently elevated inflation but avoided signaling the timing of the next policy move. Warsh stressed that restoring price stability remains the central bank’s priority while emphasizing a data-dependent approach to interest rates. The testimony offered no new direct policy guidance, leaving currency markets focused primarily on the softer inflation data. The combination of easing inflation, falling yields and reduced tightening expectations pressured the U.S. dollar broadly while supporting cautious and inconsistent gains in major currencies.

- Oil prices remained elevated as renewed Middle East tensions continued to fuel concerns over global crude supply, although softer U.S. inflation tempered some fears of a sustained inflation surge. Longterm high energy prices remain a key upside risk for future inflation and could influence the Federal Reserve's policy outlook if they persist. U.S. stocks extended their rally after the benign inflation report boosted expectations that interest rates will remain steady in the near term. The advance in equities reflected improving investor sentiment even as geopolitical risks kept energy markets volatile. The euro strengthened against the dollar, yet currency markets continue attempting to best balance the cooling of U.S. inflation against elevated oil prices, with energy remaining a critical driver for both inflation expectations and major foreign exchange trends.

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	1.1500	1.1570
GBP	1.3320	1.3380	1.3420	1.3460	1.3530
JPY	161.20	161.80	162.20	162.80	163.50
CHF	0.8000	0.8050	0.8085	0.8130	0.8175

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1419	2.69	EUR/GBP	0.8526	2.21
GBP/USD	1.3389	0.48	GBP/JPY	217.23	3.05
USD/JPY	162.23	3.53	EUR/JPY	185.29	0.76
USD/CHF	0.8089	2.13	EUR/CHF	0.9238	0.64

Brief Technical Commentary

EUR/USD: The pair extends its recovery after yesterday's reversal, with price holding above 1.1430 as momentum remains constructive. The pair is testing the recent highs near 1.1460, while support is now seen at 1.1400.

GBP/USD: Cable edges higher after reclaiming 1.3400 handle, with bullish momentum strengthening following the recent rebound. The bullish structure remains intact while the pair holds above 1.3380, with scope to test 1.3460 and potentially the 1.3500 psychological level.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	86.87	2.57	Dow Jones	52,508.27	0.02
Brent	85.44	0.84	Nikkei 225	26,107.01	1.22
West Texas	79.79	0.57	S&P 500	7,543.59	0.38
Gold	4,031.18	0.53	KuwaitSE	8,649.35	0.11

Economic Events	Country	Event	Actual	Forecast	Previous
14-Jul-26	GBP	BOE Gov Bailey Speaks			
14-Jul-26	USD	CPI m/m	-0.4%	-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	2.50	3.38	3.56	3.75	3.94
USD	3.60	3.71	3.79	3.93	4.09
EUR	2.16	2.22	2.43	2.62	2.80
GBP	3.73	3.76	3.84	3.99	4.20

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.99	4.20	4.33	4.60	5.11
Germany	2.56	2.75	2.85	3.11	3.65
United Kingdom	4.14	4.34	4.53	4.97	5.67
Japan	1.23	1.42	1.93	2.68	3.74

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