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TREASURY GROUP
NATIONAL BANK OF KUWAIT

Treasury Daily Newsletter

18-Aug-26

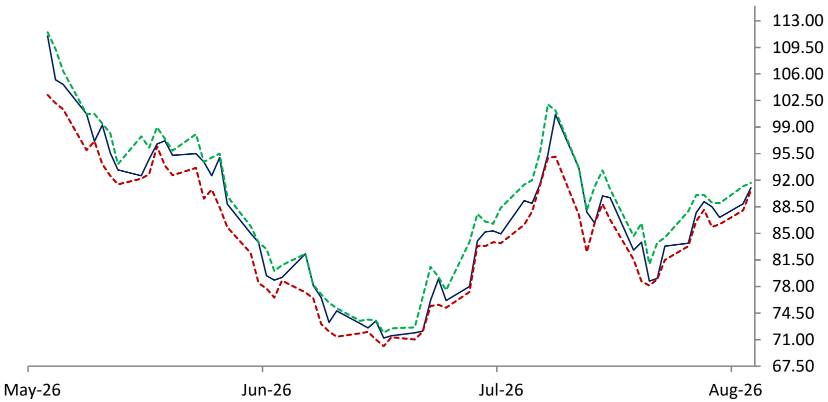
Kuwaiti Dinar Today 0.30710 / 0.30720

Key Market Highlights:

- Brent crude has pushed above $90, reaching ~$91.40 a barrel as fading U.S.-Iran peace prospects raise fears of prolonged supply disruption. The move follows the expiration of the temporary U.S.-Iran ceasefire and Iran's warning that it could adopt a "fully offensive" military posture. Shipping through the Strait of Hormuz remains severely restricted, with traffic reduced to only a handful of vessels, keeping a major global energy chokepoint under pressure. WTI has also risen, reaching ~$85.25 a barrel and its highest level since late July. In a larger standpoint, the supply uncertainty could continue to keep oil volatile between $80 and $100 in the near term. Higher crude is feeding directly into inflation concerns, particularly for oil-importing economies and currencies such as the Indian rupee, which faces renewed downside pressure.

- Bond investors are expecting higher yields as rising oil prices revive inflation risks while concerns over U.S. fiscal borrowing add pressure to longer-dated Treasuries. The U.S. 30-year Treasury yield reached ~5.321%, its highest level since June 2007, while the 10-year yield stood around ~4.726%. Contrary to a broad USD-strength narrative, the dollar remains near multi-month lows to reach similar figures to that of last June as traders reduce expectations for a September Federal Reserve rate hike. The euro is around ~1.1581, close to its recent two-month high, while sterling is around ~1.3548, near a three-month peak. The yen remains comparatively weak at about ~159.46 per dollar, despite growing concerns surrounding the ineffectivety of interventative measures. The central tension for markets is therefore clear: higher oil and Treasury yields are tightening financial conditions, but softer U.S. economic data is limiting the dollar's ability to benefit from that pressure.

Brent Crude Oil
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1430	1.1500	1.1570	1.1625	1.1685
GBP	1.3400	1.3475	1.3533	1.3600	1.3660
JPY	157.10	158.50	159.72	160.85	162.30
CHF	0.8010	0.8040	0.8120	0.8175	0.8210

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1579	1.50	EUR/GBP	0.8547	1.88
GBP/USD	1.3543	0.39	GBP/JPY	215.91	2.39
USD/JPY	159.43	1.98	EUR/JPY	184.63	0.45
USD/CHF	0.8105	2.45	EUR/CHF	0.9388	0.89

Brief Technical Commentary

The EURUSD pair slightly declined after reaching key resistance level of 1.1615, attempting to gain positive momentum that could help break above this resistance. Short-term outlook bullish.

The USDJPY pair rose in its last intraday trading, waiting to gain new bullish momentum that might support resuming the rise in the near upcoming period. Short-term outlook is bullish.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	98.92	2.62	Dow Jones	53,459.78	0.51
Brent	91.40	0.58	Nikkei 225	67,845.81	1.99
West Texas	85.14	0.76	S&P 500	7,745.06	0.52
Gold	4,391.62	0.55	KuwaitSE	8,785.77	0.27

Economic Events	Country	Event	Actual	Forecast	Previous
17-Aug-26	CAD	CPI m/m	0.5%	0.4%	-0.4%
18-Aug-26	GBP	Claimant Count Change	-11.0K	11.2K	6.7K
19-Aug-26	GBP	CPI y/y		2.9%	2.6%
19-Aug-26	EUR	ECB President Lagarde Speaks			
19-Aug-26	USD	FOMC Meeting Minutes			2.53%
20-Aug-26	AUD	Unemployment Rate		4.4%	4.4%
20-Aug-26	USD	Unemployment Claims		210K	209K
21-Aug-26	GBP	Retail Sales m/m		-0.4%	1.0%
21-Aug-26	EUR	Flash Services PMI		51.5	51.7
21-Aug-26	GBP	Flash Manufacturing PMI		51.6	51.9

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.56	3.44	3.56	3.75	4.00
USD	3.62	3.65	3.72	3.82	3.95
EUR	2.16	2.21	2.51	2.67	2.94
GBP	3.73	3.74	3.79	3.91	4.12

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.97	4.19	4.39	4.74	5.33
Germany	2.56	2.81	2.93	3.24	3.76
United Kingdom	4.09	4.27	4.60	5.08	5.84
Japan	1.44	1.68	2.14	2.93	4.12