TREASURY GROUP
NATIONAL BANK OF KUWAIT

Treasury Daily Newsletter

17-Aug-26

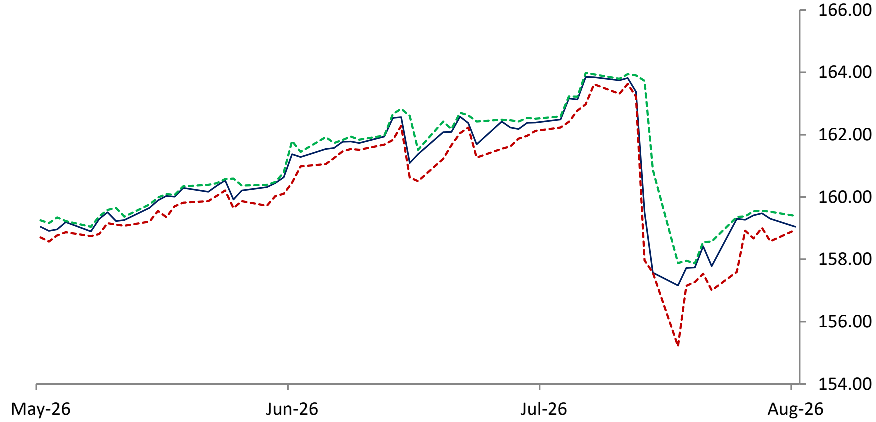
Kuwaiti Dinar Today 0.30700 / 0.30710

Key Market Highlights:

- Japan's economy grew 0.3% quarter-on-quarter in Q2 2026, slowing from Q1 and missing expectations of 0.5%. Domestic demand weakened, with private consumption flat amid persistent cost pressures, while capital expenditure fell 1.2% due to weaker business sentiment and economic uncertainty. However, external demand supported growth, contributing 0.5 percentage points as exports rose 0.5% and imports declined 1.5%. Looking ahead, economists expect growth to soften further in Q3 as Middle East-related price pressures weigh on household spending and corporate budgets.

- Crude oil traded above $82 per barrel on Monday, holding onto last week's gains as elevated Middle East tensions continued to raise concerns over potential supply disruptions. Fresh strikes in Lebanon and the approaching expiry of the US-Iran interim ceasefire added to uncertainty, while President Trump is preparing new economic sanctions against Iran as negotiations to end the conflict and reopen the Strait of Hormuz remain stalled. However, further price gains have been limited by Middle Eastern producers continuing to move crude through the Strait. Meanwhile, Iran and Oman appear to be making progress on arrangements for managing the waterway, although the US is not involved in those discussions.

USD/JPY
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1475	1.1530	1.1585	1.1650	1.1700
GBP	1.3440	1.3500	1.3555	1.3600	1.3650
JPY	158.00	158.50	159.00	159.50	160.00
CHF	0.8000	0.8070	0.8110	0.8150	0.8200

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1569	1.33	EUR/GBP	0.8544	1.88
GBP/USD	1.3530	0.58	GBP/JPY	215.49	2.12
USD/JPY	159.30	1.53	EUR/JPY	184.30	0.18
USD/CHF	0.8131	2.35	EUR/CHF	0.9407	0.98

Brief Technical Commentary

EURUSD testing resistance at 1.1585, a break above would lead us to trade in a higher range with resistance at 1.1650 followed by 1.1700. Support for the pair is at 1.1530 followed by 1.1475. We have a quiet week ahead data wise.

The USD is lower across the board which has strengthened the Yen down to 159.00, the next support level is at 158.50 followed by 158.00. Resistance for the pair is at 159.50 followed by 160.00.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	95.18	2.09	Dow Jones	53,732.41	0.20
Brent	88.38	0.16	Nikkei 225	69,114.15	0.58
West Texas	81.89	0.62	S&P 500	7,785.76	0.17
Gold	4,396.89	0.47	KuwaitSE	8,838.72	0.03

Economic Events	Country	Event	Actual	Forecast	Previous
17-Aug-26	CAD	CPI m/m		0.4%	-0.4%
18-Aug-26	GBP	Claimant Count Change		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	GBP	Flash Manufacturing PMI		51.6	51.9
21-Aug-26	EUR	Flash Services PMI		51.5	51.7

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.50	3.38	3.56	3.75	4.00
USD	3.62	3.64	3.73	3.83	3.97
EUR	2.16	2.21	2.51	2.67	2.94
GBP	3.73	3.74	3.79	3.91	4.11

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.94	4.15	4.34	4.68	5.25
Germany	2.53	2.78	2.90	3.20	3.72
United Kingdom	4.07	4.33	4.54	5.02	5.77
Japan	1.45	1.68	2.15	2.91	4.05