

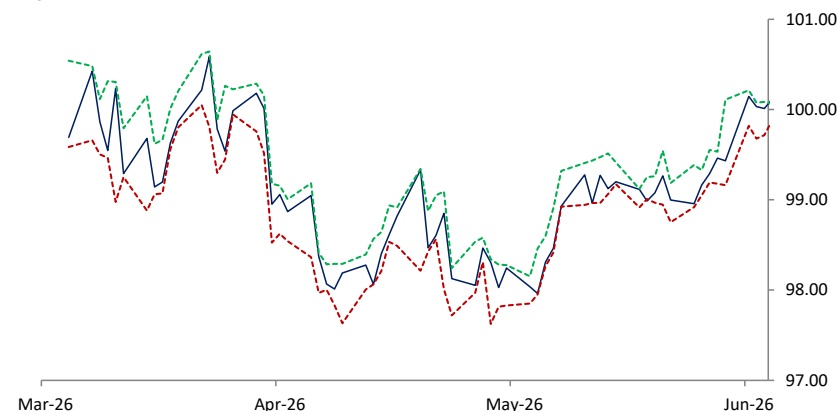
Treasury Daily Newsletter

11-Jun-26

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Key Market Highlights:

- US inflation accelerated again in May, with the annual CPI rate rising to 4.2%, its highest level since April 2023, from 3.8% in April. The move was largely driven by a sharp energy shock linked to the escalation with Iran, as energy costs jumped 23.5% year-on-year, with gasoline prices surging 40.5% and fuel oil up 58.9%. Food inflation also picked up to 3.1%, while shelter edged higher to 3.4%, showing that price pressures were not limited to energy alone. On a monthly basis, CPI rose 0.5%, slightly below April's 0.6% increase but still strong enough to keep inflation concerns alive. Core inflation also moved higher on an annual basis to 2.9%, marking its highest level since September 2025, although the monthly core reading slowed to 0.2%, below forecasts of 0.3%. Overall, the report reinforced the view that inflation remains vulnerable to geopolitical shocks, keeping the Fed's policy path tilted toward caution despite some softer details in the core figures.
- US markets came under pressure as renewed military escalation between the US and Iran pushed investors back into a more defensive stance. Stock futures declined after the US launched additional strikes on Iran, sending oil prices higher and raising fresh concerns over inflation and the possibility of further central bank rate hikes. In regular trading, the Dow fell 1.87%, the S&P 500 lost 1.62%, and the Nasdaq slid 1.98%, with eight of the eleven S&P sectors ending in negative territory. Industrials, materials, and technology led the losses, while chip and AI-linked names faced renewed selling pressure amid concerns over stretched valuations. Oil remained elevated near \$91 per barrel as the near-total closure of the Strait of Hormuz continued to tighten global energy supplies, even as crude pulled back after the US said its latest strikes had been completed. Gold stabilized near \$4,100 an ounce, supported by geopolitical uncertainty but capped by expectations that inflationary pressure could keep interest rates higher for longer.

**U.S. Dollar Index
3-Month Performance**


Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1400	1.1445	1.1545	1.1600	1.1685
GBP	1.3165	1.3215	1.3380	1.3480	1.3550
JPY	157.30	159.10	160.45	160.75	161.50
CHF	0.7795	0.7870	0.7985	0.8045	0.8100

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1535	1.70	EUR/GBP	0.8626	1.01
GBP/USD	1.3366	0.70	GBP/JPY	214.54	1.78
USD/JPY	160.53	2.48	EUR/JPY	185.20	0.75
USD/CHF	0.7996	0.78	EUR/CHF	0.9224	0.96

Brief Technical Commentary

The EURUSD pair remains under pressure and continues to trade lower in recent intraday sessions, the price continues to trade below the 4H EMA50, reducing bullish momentum recovery.

The USDJPY pair remains supported by recent intraday gains as it approaches the key resistance level at 160.75 the RSI continues to generate positive signals, reinforcing bullish momentum.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	102.42	0.28	Dow Jones	49,918.78	1.87
Brent	93.73	0.68	Nikkei 225	64,200.79	0.03
West Texas	90.80	0.86	S&P 500	7,266.99	1.60
Gold	4,097.80	0.86	KuwaitSE	8,691.45	0.24

Economic Events	Country	Event	Actual	Forecast	Previous
08-Jun-26	JPY	Final GDP q/q	0.5%	0.3%	0.5%
09-Jun-26	USD	Trade Balance	-55.9B	-55.2B	-60.3B
10-Jun-26	USD	Core CPI y/y	2.9%	2.9%	2.8%
10-Jun-26	CAD	Overnight Rate	2.25%	2.3%	2.25%
10-Jun-26	USD	Crude Oil Inventories	-7.2M	-3.0M	-8.0M
11-Jun-26	EUR	Main Refinancing Rate		2.40%	2.15%
11-Jun-26	USD	Core PPI m/m		0.5%	1.0%
11-Jun-25	EUR	ECB Press Conference			
12-Jun-26	GBP	GDP m/m		-0.1%	0.3%
12-Jun-26	USD	Prelim UoM Inflation Expectations			4.5%

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.44	3.44	3.56	3.75	3.94
USD	3.60	3.62	3.66	3.75	3.92
EUR	1.87	2.06	2.37	2.61	2.87
GBP	3.73	3.74	3.80	3.94	4.16

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.87	4.14	4.27	4.54	5.03
Germany	2.47	2.71	2.80	3.08	3.62
United Kingdom	4.16	4.34	4.47	4.91	5.59
Japan	1.12	1.41	1.92	2.67	3.85

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