

## Treasury Daily Newsletter

15-Jun-26

Kuwaiti Dinar Today 0.30690 / 0.30700

### Key Market Highlights:

- Oil prices declined sharply following the announcement of an interim US-Iran agreement to end hostilities, raising expectations for the reopening of the Strait of Hormuz and a normalization of disrupted supply flows. Brent crude fell more than 4% to USD 83.56/bbl, while WTI dropped 5% to USD 80.63/bbl, extending recent losses after hitting a three-month low the prior week. The strait, historically accounting for approximately 20% of global oil transit, is expected to reopen pending formal signing, although logistical constraints and security risks may delay full resumption. Market structure softened, with Brent's prompt spread narrowing to below USD 1 from above USD 12 in April. Lower crude prices may alleviate near-term inflation pressures, supporting a more benign outlook for global monetary policy.
- Meanwhile, China's economic momentum is moderating as weak domestic demand offsets resilient exports. Retail sales are estimated to have declined 0.2% YoY in May following near-flat MoM performance in April, marking the first contraction since the post-pandemic reopening. Consumption remains constrained by weak labour market conditions, rising prices, and household deleveraging, with bank lending to households contracting for a second consecutive month. Car sales fell more than 22% YoY, extending a six-month run of double-digit declines. Fixed-asset investment is projected to decrease 2.3% YoY year-to-date, with May alone likely down around 7% YoY. While industrial production may show modest improvement, overall activity suggests growth of around 4%, below the 4.5% to 5% official target, reinforcing expectations of potential policy easing.

Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1500	1.1550	1.1610	1.1670	1.1730
GBP	1.3350	1.3400	1.3450	1.3500	1.3550
JPY	159.00	159.50	160.00	160.50	161.00
CHF	0.7830	0.7880	0.7930	0.7970	0.8030

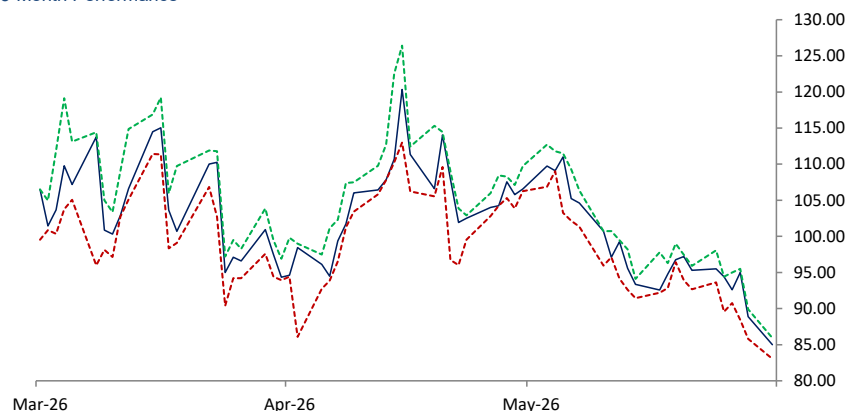
### Brief Technical Commentary

The US and Iran reached an interim agreement to reopen the Strait of Hormuz. The deal is to be signed by both sides on the 19th of June in Switzerland. The USD continues its decline pushing EURUSD above 1.1600. Resistance for the pair is at 1.1670 and 1.1750. Support for the pair is now at 1.1550 and 1.1500.

USDJPY broke the 160 recovered from highs but still elevated above 160 ahead of the upcoming BoJ meeting. Support is at 159.50 followed by 150.00. Resistance on the other hand is at 160.50 and 161.00.

Economic Events	Country	Event	Actual	Forecast	Previous
16-Jun-26	JPY	BOJ Policy Rate		<1.00%	<0.75%
16-Jun-26	AUD	Cash Rate		4.35%	4.35%
17-Jun-26	GBP	CPI y/y		3.00%	2.80%
17-Jun-26	USD	Core Retail Sales m/m		0.50%	0.70%
17-Jun-26	USD	Retail Sales m/m		0.50%	0.50%
17-Jun-26	USD	Federal Funds Rate		3.75%	3.75%
18-Jun-26	NZD	GDP q/q		0.80%	0.20%
18-Jun-26	CHF	SNB Policy Rate		0.00%	0.00%
18-Jun-26	GBP	Official Bank Rate		3.75%	3.75%
18-Jun-26	USD	Unemployment Claims		225K	229K

### Brent Crude 3-Month Performance



Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1568	1.12	EUR/GBP	0.8628	0.97
GBP/USD	1.3406	0.16	GBP/JPY	214.83	1.90
USD/JPY	160.24	2.07	EUR/JPY	185.36	1.00
USD/CHF	0.7971	0.05	EUR/CHF	0.9219	1.05

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	94.84	5.73	Dow Jones	51,202.26	0.70
Brent	87.33	4.18	Nikkei 225	66,020.04	4.75
West Texas	84.88	4.69	S&P 500	7,431.46	0.50
Gold	4,219.33	2.18	KuwaitSE	8,839.03	1.33

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	3.63	3.66	3.72	3.85
EUR	1.93	2.17	2.38	2.64	2.87
GBP	3.73	3.74	3.79	3.89	4.06

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.03	4.08	4.16	4.44	4.94
Germany	2.51	2.57	2.67	2.96	3.53
United Kingdom	4.19	4.19	4.32	4.79	5.49
Japan	1.38	1.56	1.85	2.57	3.73