

Treasury Daily Newsletter

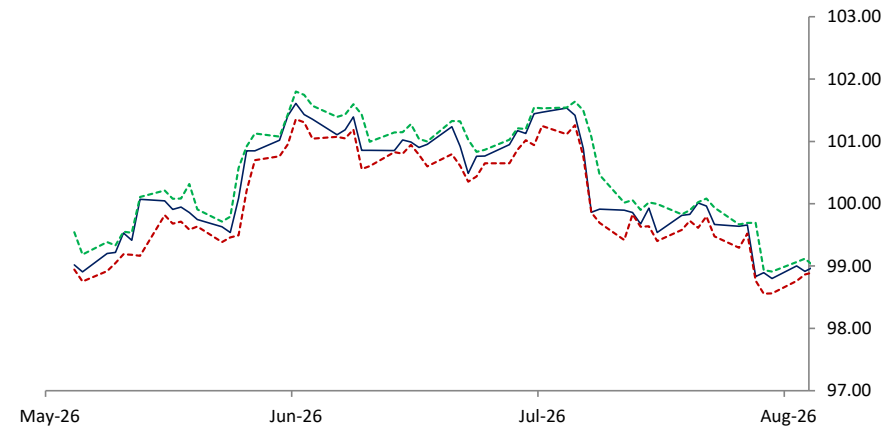
26-Aug-26

Kuwaiti Dinar Today

0.30680 / 0.30690

Key Market Highlights:

- US crude oil inventories increased by 4.2 million barrels in the week ending August 21, well above expectations for a 1.9 million-barrel build and reversing the previous week's 328,000-barrel decline. Despite the latest increase, commercial crude inventories have fallen by more than 45 million barrels over the past 19 weeks, although they remain 5.8 million barrels higher year-to-date. Meanwhile, another 3.7 million barrels were released from the Strategic Petroleum Reserve (SPR), reducing reserves to 289.7 million barrels, close to the generally accepted operational minimum range of 250–300 million barrels. Cushing inventories rose by 1 million barrels, while US crude production increased slightly to 13.83 million barrels per day, around 503,000 bpd higher than a year earlier. Refined product inventories moved lower, with gasoline stocks falling by 3.2 million barrels and distillate inventories declining by 500,000 barrels.
- Australia's annual inflation rate eased to 3.5% in July 2026 from 3.8% in June, marking the lowest reading since November 2025, although it remained above market expectations of 3.3% and the RBA's 2–3% target range. The slowdown was driven by softer goods and services inflation, with housing inflation falling notably to 5.0% from 6.8% and food price growth also easing slightly. In contrast, transport inflation accelerated to 1.6% from 0.1%. Underlying price pressures remained relatively firm, with trimmed mean inflation at 3.6%, slightly above expectations and its highest since September 2024, while weighted median inflation also stood at 3.6%. On a monthly basis, CPI rose a stronger-than-expected 1.0%, the fastest increase in four months, suggesting inflationary pressures remain persistent despite the moderation in the annual headline rate.

US Dollar Index
3-Month Performance

Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1550	1.1600	1.1660	1.1710	1.1760
GBP	1.3520	1.3590	1.3635	1.3680	1.3740
JPY	157.90	158.50	158.95	159.50	160.00
CHF	0.7940	0.7980	0.8030	0.8080	0.8125

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1674	0.71	EUR/GBP	0.8552	1.84
GBP/USD	1.3649	1.16	GBP/JPY	217.18	2.72
USD/JPY	159.16	1.53	EUR/JPY	185.83	0.82
USD/CHF	0.8014	1.43	EUR/CHF	0.9353	0.67

Brief Technical Commentary

Oil prices fell below US\$87/bbl off the back of discussions between Iran and Oman regarding resumed shipping through the strait. EURUSD ranging between 1.1640 and 1.1710. Support for the pair is at 1.1600 followed by 1.1550. Resistance is at 1.1710 and 1.1760.

The yen moved below the 159 handle, which opens up testing support at 158.50 followed by 157.90. Resistance for the pair is at 159.50 followed by 160.00.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	98.98	1.98	Dow Jones	53,577.40	0.26
Brent	86.98	1.81	Nikkei 225	66,313.20	0.69
West Texas	80.83	1.86	S&P 500	7,677.28	0.32
Gold	4,630.03	0.58	KuwaitSE	8,909.10	0.08

Economic Events	Country	Event	Actual	Forecast	Previous
24-Aug-26	USD	Treasury Secretary Bessent Speaks			
25-Aug-26	USD	CB Consumer Confidence	89.4	90.3	90.8
26-Aug-26	AUD	CPI y/y	3.5%	3.3%	3.8%
26-Aug-26	USD	Core PCE Price Index m/m		0.2%	0.1%
26-Aug-26	USD	Prelim GDP q/q		1.5%	1.5%
27-Aug-26	USD	Unemployment Claims		208K	206K
28-Aug-26	JPY	Tokyo Core CPI y/y		1.8%	1.9%
21-Aug-26	CAD	GDP m/m		0.2%	0.3%
21-Aug-26	USD	Fed Chair Warsh Speaks			
21-Aug-26	USD	Jackson Hole Symposium			

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.56	3.38	3.56	3.75	3.94
USD	3.65	3.69	3.77	3.88	4.03
EUR	2.18	2.22	2.54	2.77	2.99
GBP	3.73	3.75	3.80	3.93	4.14

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.97	4.20	4.35	4.64	5.18
Germany	2.52	2.77	2.89	3.19	3.70
United Kingdom	4.02	4.30	4.52	4.98	5.72
Japan	1.44	1.68	2.13	2.88	4.04