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TREASURY GROUP
NATIONAL BANK OF KUWAIT

Treasury Daily Newsletter

31-Aug-26

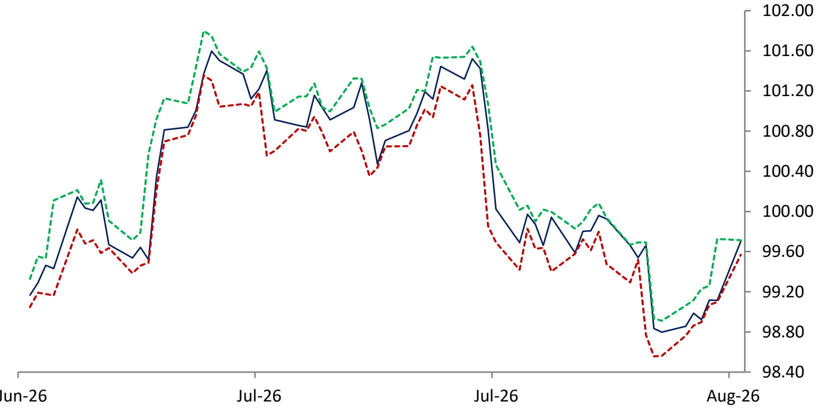
Kuwaiti Dinar Today 0.30710 / 0.30720

Key Market Highlights:

- Last week's Jackson Hole meeting shifted the Federal Reserve's policy debate materially more hawkish, with Chair Kevin Warsh warning that the Fed has "work to do" if inflation remains above target and stressing that price stability remains its central responsibility. Warsh stopped short of explicit forward guidance, but his remarks lifted market expectations for a September hike, with the probability now around 57%-60%. The shift is particularly important because the Fed's next move now depends increasingly on whether inflation remains persistent while the labor market continues to show enough resilience to justify tighter policy. This week therefore turns decisively toward Friday's U.S. employment report, with Non-Farm Employment Change and the Unemployment Rate becoming the key tests of whether Warsh's more restrictive stance can be sustained. The latest labor data had already shown significant weakness, including a ~23,000 decline in July payrolls. A stronger-than-expected jobs report would reinforce dollar support and September-hike expectations, while renewed labor-market deterioration could challenge the hawkish repricing and reopen downside pressure on the USD.

- Europe enters the week facing the same inflationary energy shock but with monetary-policy reactions that differ from the Fed's increasingly restrictive signal. That leaves the euro supported by a more hawkish ECB backdrop, although renewed dollar strength following Warsh's Jackson Hole address has limited the EUR/USD pair in a rise. GBP has also remained relatively firm, with it recently near a six-month high as markets continued to price a potential Bank of England rate increase later this year. BoE Governor Andrew Bailey has nevertheless maintained a more cautious approach to the oil shock, with an address expected on Friday prior to U.S. data. Meanwhile, today's escalation in the Gulf pushed Brent crude above $90 a barrel, directly increasing inflation risks for Europe and the UK while simultaneously strengthening the case for tighter policy and supporting the USD through higher U.S. inflation and rate expectations. The key cross-market question this week is therefore whether U.S. employment strength validates Warsh's hawkish Fed trajectory, or whether the combination of European inflation and higher oil prices forces the ECB and BoE to remain comparatively restrictive alongside the dollar.

U.S. Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1510	1.1560	1.1590	1.1660	1.1730
GBP	1.3435	1.3475	1.3543	1.3600	1.3660
JPY	158.00	158.50	159.77	160.90	162.00
CHF	0.7910	0.8000	0.8090	0.8150	0.8200

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1584	1.34	EUR/GBP	0.8555	1.86
GBP/USD	1.3534	0.52	GBP/JPY	216.57	2.58
USD/JPY	160.04	2.04	EUR/JPY	185.37	0.68
USD/CHF	0.8092	2.07	EUR/CHF	0.9374	0.71

Brief Technical Commentary

The EURUSD pair settles lower during its latest intraday trading, to break a main bullish trend in the short-term basis, accompanied by surpassing the 4H EMA50.

The USDJPY price witnessed volatile trading during its recent intraday trading, attempting to gain positive momentum to break above 160.90 key resistance. Short-term outlook bullish.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	105.24	0.87	Dow Jones	53,559.99	0.02
Brent	90.40	2.61	Nikkei 225	65,834.71	0.86
West Texas	85.36	2.35	S&P 500	7,711.76	0.25
Gold	4,420.44	0.78	KuwaitSE	8,918.00	0.07

Economic Events	Country	Event	Actual	Forecast	Previous
01-Sep-26	USD	ISM Manufacturing PMI		55.2	55.6
01-Sep-26	USD	JOLTS Job Opening		7.33M	7.36M
02-Sep-26	AUD	GDP q/q		0.3%	0.3%
02-Sep-26	NZD	Official Cash Rate		2.75%	2.5%
02-Sep-26	CAD	Overnight Rate		2.25%	2.25%
04-Sep-26	GBP	BOE Gov Bailey Speaks			
04-Sep-26	CAD	Unemployment Rate		6.4%	6.4%
04-Sep-26	USD	Average Hourly Earnings m/m		0.3%	0.1%
04-Sep-26	USD	Non-Farm Employment Change		58K	-23K
04-Sep-26	USD	Unemployment Rate		4.1%	4.1%

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	3.64	3.68	3.76	3.87	4.03
EUR	2.16	2.29	2.57	2.76	2.98
GBP	3.73	3.75	3.81	3.93	4.17

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.09	4.32	4.47	4.71	5.21
Germany	2.61	2.88	3.00	3.28	3.77
United Kingdom	4.30	4.60	4.60	5.13	5.77
Japan	1.49	1.73	2.19	2.93	4.10

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