

Treasury Daily Newsletter

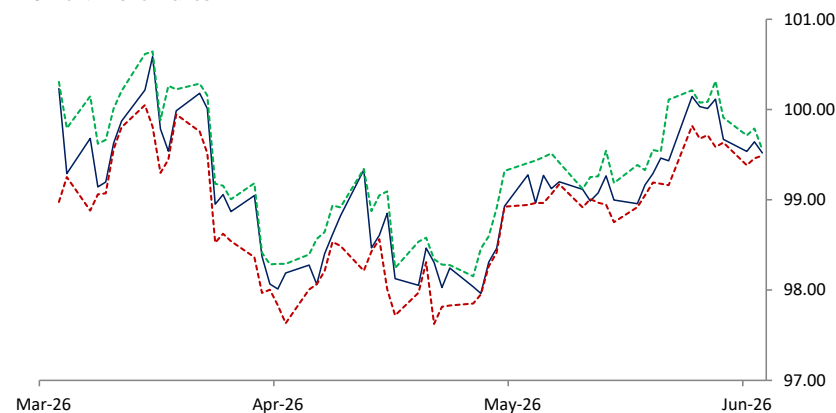
17-Jun-26

Kuwaiti Dinar Today 0.30690 / 0.30700

Key Market Highlights:

- The U.S. dollar softened as safe-haven demand eased following signs that the Iran conflict may remain contained, reducing immediate fears of a broader regional war and potential disruption to Middle East energy supplies. Trimming took place in defensive dollar positions as oil prices pulled back from recent highs, shifting from conflict induced spikes and ranges of ~\$118 - ~103, to now resting at ~\$78 as of today. Attention now shifts once more toward the Federal Reserve's policy outlook, as interest rate expectations shifting towards an interest rate hike, with a ~60% likelihood by the end of the year, as inflation concerns remaining ever high; although eyes remain alert on the effectiveness of the newly discussed cease-fire deal to any escalation that could quickly revive dollar buying through returning higher oil prices (energy supply chain disruptions) and renewed flight-to-safety flows, as the Dollar Index begins a descending slope into 99.516 directing down from a previous 100.127 and rising.
- The Bank of Japan dominated the Asian session, with its policy decision, statement, and subsequent press conference. The BOJ increased rates as forecasted and announced a slower pace of balance-sheet reduction, underscoring its preference for gradual normalization amid uncertainty surrounding global trade and growth. The decision generated only a low yen reaction because markets had largely anticipated the outcome, keeping the strenuous USD/JPY point of 160.26 under careful watch. This placed greater emphasis on Governor Ueda's guidance for future rate increases. The yen remained sensitive as a whole, with the BOJ's cautious stance limiting support for JPY even as policymakers continue to monitor inflation risks linked to imported energy costs and currency weakness, with their attempts to curb and deter further strength loss as USD/JPY has now remained higher for longer than the BOJ's initial interventionary methods.

DXY
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1500	1.1560	1.1610	1.1660	1.1720
GBP	1.3320	1.3380	1.3430	1.3460	1.3530
JPY	159.20	159.80	160.30	160.70	161.30
CHF	0.7820	0.7880	0.7920	0.7960	0.8020

Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1607	1.20	EUR/GBP	0.8643	0.71
GBP/USD	1.3426	0.48	GBP/JPY	215.42	1.83
USD/JPY	160.45	2.30	EUR/JPY	186.24	1.09
USD/CHF	0.7929	0.01	EUR/CHF	0.9207	1.22

Brief Technical Commentary

EUR/USD: The pair has transitioned into a recovery phase, holding above rising short term moving averages and consolidation beneath recent highs around 1.1620. Momentum remains positive while support at 1.1560 holds, a clear break above 1.1620/1.1640 is still needed to extend gains.

USD/JPY: The pair has lost some upside momentum after failing to sustain gains above 160.40. The pair remains broadly supported by the longer-term trend structure, but near-term price action is consolidative and momentum has softened, keeping focus on 159.80 support.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	82.56	4.56	Dow Jones	51,999.67	0.64
Brent	78.18	0.99	Nikkei 225	69,404.50	0.13
West Texas	75.25	0.80	S&P 500	7,511.35	0.56
Gold	4,325.09	0.14	KuwaitSE	8,833.77	0.02

Economic Events	Country	Event	Actual	Forecast	Previous
16-Jun-26	JPY	BOJ Policy Rate	<1.00%	<1.00%	<0.75%
16-Jun-26	AUD	Cash Rate	4.35%	4.35%	4.35%
17-Jun-26	GBP	CPI y/y	2.8%	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-25	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

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.44	3.38	3.56	3.75	3.94
USD	3.69	3.64	3.67	3.73	3.87
EUR	1.94	2.17	2.41	2.61	2.80
GBP	3.73	3.74	3.78	3.88	4.02

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.81	4.05	4.15	4.43	4.93
Germany	2.39	2.55	2.63	2.92	3.48
United Kingdom	4.05	4.15	4.33	4.79	5.50
Japan	1.10	1.38	1.85	2.59	3.73

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