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TREASURY GROUP
NATIONAL BANK OF KUWAIT

Treasury Daily Newsletter

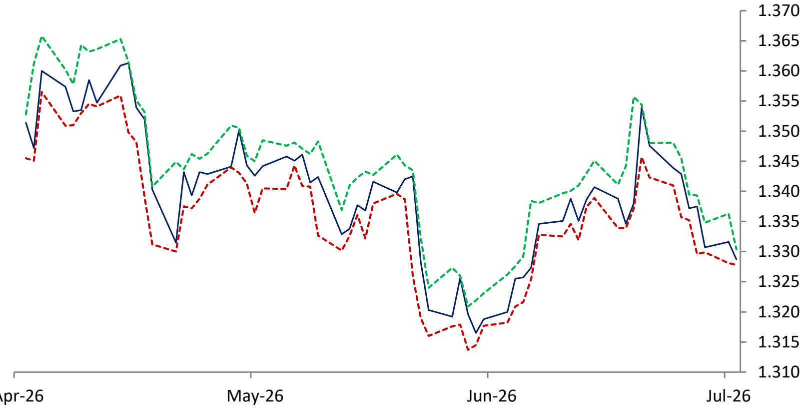
28-Jul-26

Kuwaiti Dinar Today 0.30790 / 0.30800

Key Market Highlights:

- The U.S. dollar held near a one-month high as markets weighed a lingering possibility of a Federal Reserve rate hike despite easing oil-driven inflation pressures. Sterling remained under modest pressure against the dollar as higher U.S. yields continued to underpin the greenback. Investors are positioning cautiously ahead of this week's Federal Reserve and Bank of England policy decisions. Markets now see a stronger probability of further Fed tightening than they did a week ago, keeping USD demand supported. Lower crude prices have eased immediate inflation concerns but have not materially weakened expectations for restrictive U.S. policy as that remains under heavy watch. Sterling continues to trade in a narrow range as traders assess the Bank of England's policy outlook and incoming economic data, with attention remaining firmly locked on central bank guidance as the primary catalyst for near-term USD and GBP direction.
- Brent crude extended its sharp retreat (previously ~$100 and now ~$87) after signs of a pause in U.S.-Iran hostilities reduced fears of supply disruption, easing inflation expectations across global markets. The decline in energy prices has improved broader risk sentiment while reducing pressure on central banks to respond to energy-driven inflation. Commodity-linked currencies remain sensitive to further oil price swings, with the Canadian dollar weakening alongside crude. Investors are now shifting focus to upcoming U.S. and euro zone GDP releases, which are expected to provide the next major test for currency markets. Eurozone GDP will be closely monitored for evidence of economic resilience as traders reassess the European Central Bank's policy outlook in connection with geopolitical, energy, and recent natural disaster uncertainties. Together, GDP data and energy market developments are expected to drive the next phase of volatility across major foreign exchange markets.

GBP/USD
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1280	1.1320	1.1370	1.1420	1.1470
GBP	1.3200	1.3250	1.3295	1.3350	1.3400
JPY	162.70	163.10	163.75	164.30	164.80
CHF	0.8100	0.8150	0.8190	0.8250	0.8300

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1367	3.18	EUR/GBP	0.8554	1.94
GBP/USD	1.3287	1.26	GBP/JPY	217.57	3.21
USD/JPY	163.74	4.52	EUR/JPY	186.13	1.20
USD/CHF	0.8186	3.37	EUR/CHF	0.9311	0.05

Brief Technical Commentary

Higher USD trend continues after the momentary reversal we saw yesterday. This week's FOMC meeting may have a part to play in the move. Support is at 1.1320 and 1.1280. Resistance for the pair is at 1.1420 and 1.1470.

Oil prices have came off the highs and risk sentiment seems to be improving, however the Yen is still trading close the 164 level. Resistance above the figure is at 164.30 and 164.80. Support is at 163.10 followed by 162.70.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	86.66	2.08	Dow Jones	52,210.08	0.51
Brent	87.27	1.23	Nikkei 225	62,447.26	3.83
West Texas	81.65	1.16	S&P 500	7,413.18	0.02
Gold	4,042.50	0.83	KuwaitSE	8,763.40	0.26

Economic Events	Country	Event	Actual	Forecast	Previous
28-Jul-26	AUD	RBA Governer Bullock Speaks			
29-Jul-26	AUD	CPI m/m		0.2%	-0.7%
29-Jul-26	USD	Federal Funds Rate		3.75%	3.75%
30-Jul-26	GBP	Official Bank Rate		3.75%	3.75%
30-Jul-26	USD	Advance GDP q/q		2.3%	2.1%
30-Jul-26	USD	Core PCE Price Index m/m		0.10%	0.30%
30-Jul-26	USD	Unemployment Claims		206K	187K
31-Jul-26	JPY	BOJ Policy Rate		<1.00%	<1.00%
23-Jul-26	CAD	GDP m/m		0.2%	0.5%
24-Jul-26	USD	Employment Cost Index q/q		0.8%	0.9%

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.56	3.44	3.56	3.75	3.94
USD	3.64	3.74	3.83	3.97	4.15
EUR	2.11	2.20	2.49	2.72	2.99
GBP	3.73	3.75	3.81	3.95	4.17

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	4.08	4.29	4.37	4.61	5.11
Germany	2.57	2.75	2.84	3.11	3.60
United Kingdom	4.04	4.33	4.52	4.95	5.65
Japan	1.26	1.48	1.99	2.77	3.96