

Treasury Daily Newsletter

14-May-26

Kuwaiti Dinar Today 0.30630 / 0.30640

Key Market Highlights:

- US President Donald Trump commenced the first US state visit to China in nine years, meeting President Xi Jinping in Beijing as both sides sought to stabilise bilateral relations against heightened geopolitical tensions surrounding the Iran conflict and Taiwan. Discussions centred on trade normalisation, regional security, rare earth supply chain dependencies, and potential tariff relief, with reports indicating both sides are evaluating a framework to ease tariffs on approximately USD 30B of bilateral goods. President Xi reiterated the need for a “partners not rivals” relationship, while Trump highlighted expanded market access for US corporates as a primary objective, accompanied by senior executives from major US firms including Apple, Nvidia, Tesla and Citigroup. Another key focus is on extending the October trade truce, as rare earth export controls and US sanctions on Chinese entities tied to Iranian oil remain central negotiation points.
- Meanwhile, US producer price inflation accelerated sharply in April, with final demand PPI rising 1.4% MoM and 6.0% YoY, exceeding market expectations of 0.5% and 4.8%, respectively, and marking the strongest increase since 2022. Core PPI, excluding food and energy, rose 1.0% MoM and 5.2% YoY, above forecasts of 0.3% and 4.3%, signalling broadening underlying price pressures. Energy prices increased 7.8% during the month, services costs rose 1.2%, the largest in four years, while transportation and warehousing prices climbed 5.0%. Truck freight costs rose 8.1%, the highest in data since 2009, reflecting elevated fuel-related pass-through effects. The data reinforce expectations of persistent inflationary pressures, reducing near-term scope for Federal Reserve policy easing as upstream cost pressures increasingly feed through broader production channels.

Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1600	1.1650	1.1715	1.1800	1.1850
GBP	1.3445	1.3510	1.3530	1.3660	1.3700
JPY	155.00	156.75	157.80	158.00	159.60
CHF	0.7600	0.7670	0.7815	0.7850	0.7925

Brief Technical Commentary

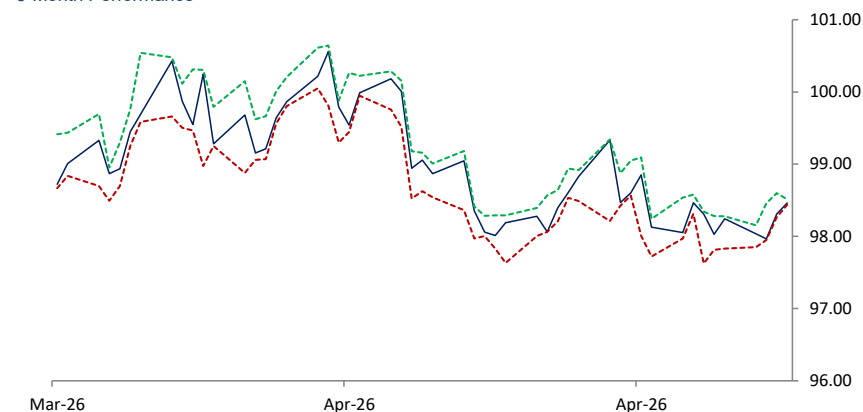
The EURUSD pair recorded cautious gains during its latest intraday trading, negative pressure slightly dominates after breaking a key short-term upward trendline.

The USDJPY maintains its gains during its latest intraday trading, stabilizing near key resistance at 158.00, the pair remains under control of a short-term bullish corrective wave.

Economic Events	Country	Event	Actual	Forecast	Previous
11-May-26	CNY	CPI y/y	1.2%	0.9%	1.0%
12-May-26	USD	CPI y/y	3.8%	3.7%	3.3%
12-May-26	USD	Fed Chair Nominaion Vote	Pass	Pass	
12-May-26	USD	10-y Bond Auction	4.47 2.4x		4.28 2.4x
13-May-26	JPY	Bank Lending y/y	5.4%	4.6%	4.8%
13-May-26	AUD	Wage Price Index q/q	0.8%	0.8%	0.8%
13-May-26	USD	Core PPI m/m	1.0%	0.3%	0.2%
13-May-26	USD	Crude Oil Inventories	-4.3M	-2.0M	-2.3M
14-May-26	GBP	GDP m/m	0.3%	-0.2%	0.4%
14-May-26	USD	Core Retail Sales m/m		0.6%	1.9%

DXY

3-Month Performance



Currencies	Closing	YTD %	Closing	YTD %	
EUR/USD	1.1711	0.26	EUR/GBP	0.8662	0.67
GBP/USD	1.3523	0.40	GBP/JPY	213.49	1.10
USD/JPY	157.86	0.73	EUR/JPY	184.87	0.50
USD/CHF	0.7820	1.39	EUR/CHF	0.9158	1.63

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	121.77	0.21	Dow Jones	49,693.20	0.14
Brent	105.63	0.34	Nikkei 225	63,272.11	0.11
West Texas	101.02	0.44	S&P 500	7,444.25	0.58
Gold	4,688.76	0.46	KuwaitSE	8,808.78	0.03

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.38	3.38	3.56	3.75	3.94
USD	3.60	3.62	3.65	3.69	3.78
EUR	1.91	1.97	2.25	2.49	2.80
GBP	3.73	3.74	3.83	4.00	4.26

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.98	4.01	4.11	4.47	5.03
Germany	2.48	2.68	2.79	3.08	3.62
United Kingdom	4.48	4.48	4.60	5.06	5.74
Japan	1.38	1.62	1.93	2.61	3.88