Treasury Daily Newsletter

10-Aug-26

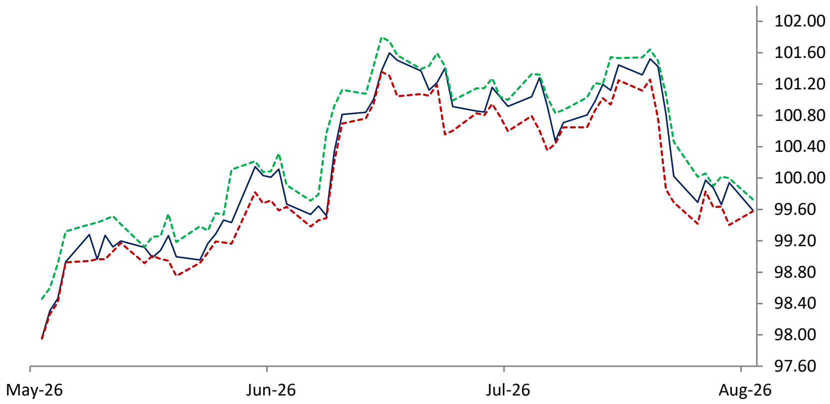
Kuwaiti Dinar Today 0.30705 / 0.30715

Key Market Highlights:

- The larger immediate FX catalyst thus far is the U.S. labor market: nonfarm payrolls having been released unexpectedly fell by 23,000 in July, versus economists' expectation for an 80,000 increase. May and June payroll growth was also revised down by a combined 103,000, reinforcing evidence of a significant loss of momentum. The unemployment rate slipped to 4.1%, but mainly because 264,000 people left the labor force, taking participation to a near five-and-a-half-year low of 61.4%; the weaker report has cut market expectations for a September Federal Reserve rate hike to about 44% and pressured the dollar. Furthermore, Brent crude reached about $84.40 a barrel Monday as uncertainty persisted over the reopening of the Strait of Hormuz, while U.S. crude reached roughly $78.80. For currencies, sustained higher oil prices are particularly important for import-dependent economies; the near-term direction for Brent therefore remains closely tied to whether Hormuz shipping actually normalizes: credible reopening signals should ease prices, while renewed restrictions or failed diplomacy would raise the risk of another supply-driven climb.

- Japan recorded its first current-account deficit in 17 months in June, with the shortfall reaching 92.3 billion JPY against expectations for a 1.51 trillion JPY surplus. The reversal reflected a 74% plunge in primary income as higher dividend payments to foreign investors reduced returns from overseas investments, while elevated oil-import costs also pushed the trade balance into deficit. The yen remains sensitive to those import costs, particularly after its sharp depreciation earlier this year and last week's joint Japan-U.S. intervention; As of today the yen was approximately ~158.30 per dollar, stronger than its late-July level near ~164.

U.S. Dollar Index
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1450	1.1500	1.1550	1.1600	1.1650
GBP	1.3385	1.3435	1.3485	1.3540	1.3585
JPY	157.15	157.75	158.25	158.75	159.30
CHF	0.7980	0.8030	0.8090	0.8135	0.8200

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1558	1.63	EUR/GBP	0.8565	1.77
GBP/USD	1.3488	0.13	GBP/JPY	212.75	1.27
USD/JPY	157.78	1.11	EUR/JPY	182.36	0.52
USD/CHF	0.8080	2.08	EUR/CHF	0.9338	0.42

Brief Technical Commentary

EURUSD appreciated post week NFP data on Friday to a high of 1.1580 before retracing to the current level at 1.1550. The next resistance for the pair is at 1.1600 followed by 1.1650. Support for the pair is at 1.1500 and 1.1450.

USDJPY ticked higher after a break below the 157 handle on Friday to a low of 156.65. Support for the pair is now at 157.75 followed by 157.15. Resistance is at 158.75 followed by 159.30.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	74.89	1.47	Dow Jones	54,036.93	0.28
Brent	84.03	0.57	Nikkei 225	66,734.20	1.72
West Texas	78.47	0.37	S&P 500	7,757.64	1.79
Gold	4,334.25	0.09	KuwaitSE	8,881.73	0.10

Economic Events	Country	Event	Actual	Forecast	Previous
11-Aug-26	AUD	Cash Rate		4.35%	4.35%
11-Aug-26	AUD	RBA Monetary Policy Statement			
12-Aug-26	USD	CPI m/m		0.1%	-0.4%
12-Aug-26	USD	CPI y/y		3.4%	3.5%
13-Aug-26	NZD	Inflation Expectations			2.53%
13-Aug-26	GBP	GDP m/m		-0.1%	0.1%
13-Aug-26	USD	PPI m/m		0.2%	-0.3%
13-Aug-26	USD	Unemployment Claims		202K	199K
14-Aug-26	AUD	RBA Governor Bullock Speaks			
14-Aug-26	USD	Retail Sales m/m		0.1%	0.2%

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.50	3.38	3.56	3.75	3.94
USD	3.65	3.64	3.76	3.89	4.06
EUR	2.13	2.20	2.47	2.68	2.90
GBP	3.73	3.74	3.79	3.90	4.08

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.98	4.21	4.36	4.65	5.20
Germany	2.51	2.73	2.84	3.13	3.63
United Kingdom	4.14	4.27	4.46	4.92	5.66
Japan	1.38	1.60	2.08	2.80	3.94