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Treasury Daily Newsletter

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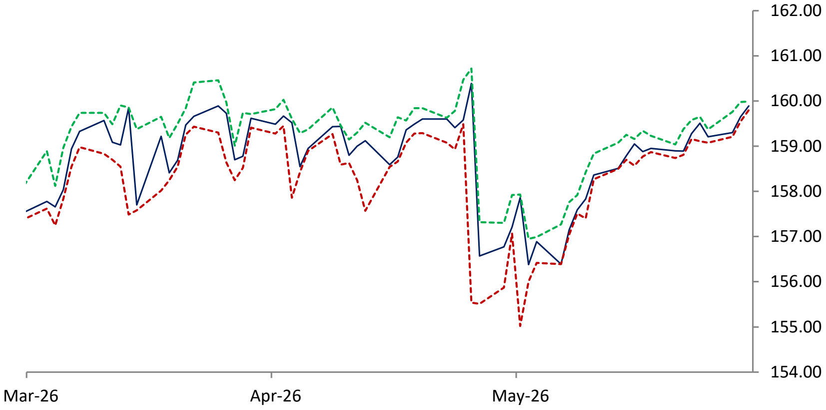
Key Market Highlights:

- The Japanese yen remains the primary focus in global FX markets as USD/JPY briefly tested the critical 160 level, prompting renewed warnings from Japanese officials and increasing speculation of further intervention. Markets are closely awaiting comments from Bank of Japan Governor Kazuo Ueda, with investors increasingly pricing the possibility of a June rate hike as inflation pressures intensify. However, surging energy costs continue to work against the yen given Japan's dependence on imported fuel, keeping downside pressure on JPY despite growing expectations of tighter BOJ policy. Brent crude's continued advance, driven by persistant Middle East tensions and stalled U.S.-Iran diplomacy, remains a major macro headwind for the Japanese currency as fundamentally, the trend still favors USD strength. U.S. economic data continues to support higher-for-longer Federal Reserve expectations, while rising crude oil prices are particularly damaging for Japan- with every increase in oil prices pushing for a worsening position for the yen.

- The euro remains relatively resilient, supported by expectations that the European Central Bank will maintain a comparatively restrictive policy stance as inflation risks remain elevated. Higher oil prices present a mixed picture for EUR; not desimilarly to that of JPY: they increase imported inflation pressures but simultaneously reinforce expectations that ECB policymakers will remain cautious about easing financial conditions. Gold remains firm on geopolitical uncertainty, while crude oil is increasingly becoming the dominant cross-asset driver for FX, particularly for energy-importing economies such as Japan and the Eurozone.

USD/JPY
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1505	1.1600	1.1625	1.1720	1.1800
GBP	1.3210	1.3300	1.3460	1.3550	1.3660
JPY	157.30	159.10	159.90	160.75	161.50
CHF	0.7670	0.7795	0.7880	0.7925	0.8000

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1631	1.09	EUR/GBP	0.8637	0.88
GBP/USD	1.3465	0.22	GBP/JPY	215.32	1.88
USD/JPY	159.89	2.08	EUR/JPY	185.99	0.97
USD/CHF	0.7869	0.44	EUR/CHF	0.9156	1.56

Brief Technical Commentary

The EURUSD price declined in recent intraday trading after breaking below the 4H EMA50, increasing bearish pressure and reinforcing the short-term downtrend.

The USDJPY continued its upward movement during its recent intraday trading, the pair remains supported by a short-term bullish corrective trend and continues to trade above 4H EMA50.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	111.02	3.55	Dow Jones	51,307.79	0.45
Brent	97.22	1.27	Nikkei 225	68,707.81	2.96
West Texas	95.12	1.45	S&P 500	7,609.78	0.12
Gold	4,458.52	0.68	KuwaitSE	8,727.14	0.42

Economic Events	Country	Event	Actual	Forecast	Previous
01-Jun-26	USD	FOMC Member Powell Speaks			
01-Jun-26	USD	ISM Manufacturing PMI	54.0	53.5	52.7
02-Jun-26	EUR	Core CPI Flash Estimate y/y	2.5%	2.4%	2.2%
02-Jun-26	GBP	BOE Gov Bailey Speaks			
02-Jun-26	USD	JOLTS Job Openings	7.62M	6.87M	6.87M
03-Jun-26	AUD	GDP q/q	0.3%	0.5%	0.8%
03-Jun-26	JPY	BOJ Gov Ueda Speaks			
03-Jun-26	USD	ISM Services PMI		53.8	53.6
04-Jun-26	CHF	CPI m/m		0.3%	0.3%
05-Jun-26	USD	Non-Farm Employment Change		95K	115K

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.38	3.44	3.56	3.75	3.94
USD	3.65	3.62	3.66	3.72	3.87
EUR	1.93	1.96	2.25	2.52	2.76
GBP	3.73	3.74	3.79	3.90	4.10

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.78	4.07	4.20	4.47	4.98
Germany	2.46	2.65	2.72	3.00	3.54
United Kingdom	4.14	4.26	4.41	4.83	5.53
Japan	1.11	1.39	1.90	2.63	3.85