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TREASURY GROUP
NATIONAL BANK OF KUWAIT

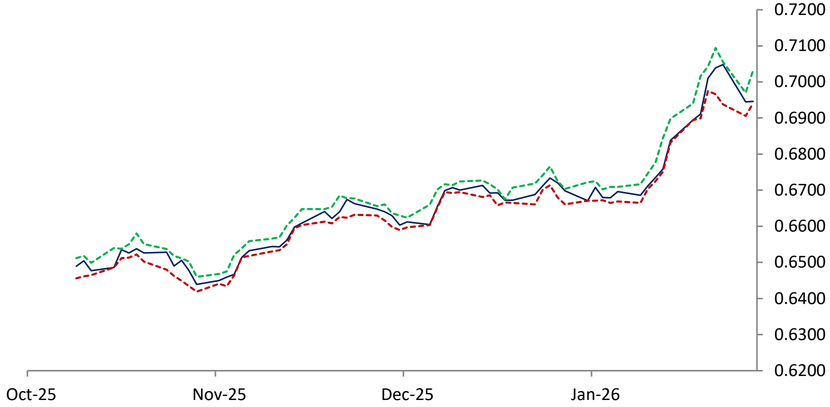
Treasury Daily Newsletter
3-Feb-26

Kuwaiti Dinar Today 0.30540 / 0.30550

Key Market Highlights:

- Gold prices rebounded sharply, rising more than 3% to above $4,800 per ounce, as investors stepped in after two consecutive sessions of heavy selling. The previous decline the past two sessions marked gold’s steepest drop in over a decade, triggered by concerns over tighter monetary policy following Donald Trump’s nomination of Kevin Warsh as the next Federal Reserve Chair. Warsh is widely viewed as more hawkish than other candidates, raising fears of prolonged high interest rates and stronger dollar conditions. Despite this volatility, gold continued to find support from strong central bank purchases and growing interest in physical assets.
- The Reserve Bank of Australia raised its benchmark cash rate by 25 basis points to 3.85% at its first policy meeting of 2026, in line with market expectations. This marked the central bank’s first rate hike since November 2023, signaling renewed concern over intensifying cost pressures in the second half of 2025. Policymakers cited elevated service-sector costs and a tight labor market as key drivers behind the decision, effectively reversing one of last year’s rate cuts. The RBA noted that inflation is likely to remain above its 2–3% target range for some time, supported by resilient economic momentum and solid employment conditions. While acknowledging recent progress in easing price pressures, the board emphasized that price stability remains its primary objective. Going forward, future policy moves will remain data-dependent, reflecting a cautious and balanced approach between containing inflation and sustaining economic growth.

AUD/USD
3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1700	1.1770	1.1810	1.1860	1.1905
GBP	1.3570	1.3625	1.3685	1.3730	1.3810
JPY	154.40	154.85	155.40	155.95	156.40
CHF	0.7660	0.7730	0.7780	0.7830	0.7880

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1789	0.58	EUR/GBP	0.8626	1.07
GBP/USD	1.3662	1.66	GBP/JPY	212.55	0.85
USD/JPY	155.60	0.63	EUR/JPY	183.43	0.21
USD/CHF	0.7795	1.83	EUR/CHF	0.9189	1.26

Brief Technical Commentary

EUR/USD: The pair is rebounding after two days of losses, trading near 1.1810 during Asian hours on Tuesday. A sustained move below 1.1800 could extend the decline toward 1.1770–1.1700, while a break above 1.1860 would revive bullish momentum.

GBP/USD: Cable edged lower, pulling back from recent multi-year highs as investors position ahead of a busy week of UK data and the BoE’s first 2026 policy decision. Currently trading near 1.3685, support stands at 1.3625 and resistance at 1.3730.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	62.55	5.33	Dow Jones	49,407.66	1.05
Brent	66.01	0.29	Nikkei 225	52,734.08	1.10
West Texas	61.93	0.21	S&P 500	6,976.44	0.53
Gold	4544..08	6.54	KuwaitSE	8,719.03	0.52

Economic Events	Country	Event	Actual	Forecast	Previous
02-Feb-26	USD	ISM Manufacturing PMI	52.6	48.5	47.9
03-Feb-26	AUD	Cash Rate	3.85%	3.85%	3.60%
03-Feb-26	USD	JOLTS Job Openings		7.21M	7.15M
04-Feb-26	NZD	Unemployment Rate		5.3%	5.3%
04-Feb-26	EUR	Core CPI Flash Estimate y/y		1.8%	1.9%
04-Feb-26	USD	ADP Non-Farm Employment Change		48K	41K
04-Feb-26	USD	ISM Services PMI		53.6	54.4
05-Feb-26	GBP	Official Bank Rate		3.75%	3.75%
05-Feb-26	EUR	Main Refinancing Rate		2.15%	2.15%
06-Feb-26	USD	Non-Farm Employment Change		67K	50K

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	1.88	3.38	3.56	3.75	3.88
USD	3.68	3.67	3.66	3.61	3.48
EUR	1.93	1.97	2.03	2.16	2.23
GBP	3.73	3.73	3.71	3.63	3.54

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.48	3.57	3.84	4.28	4.92
Germany	1.94	2.06	2.43	2.87	3.50
United Kingdom	3.54	3.68	3.93	4.31	5.27
Japan	1.03	1.27	1.68	2.25	3.63