

Treasury Daily Newsletter

19-Feb-26

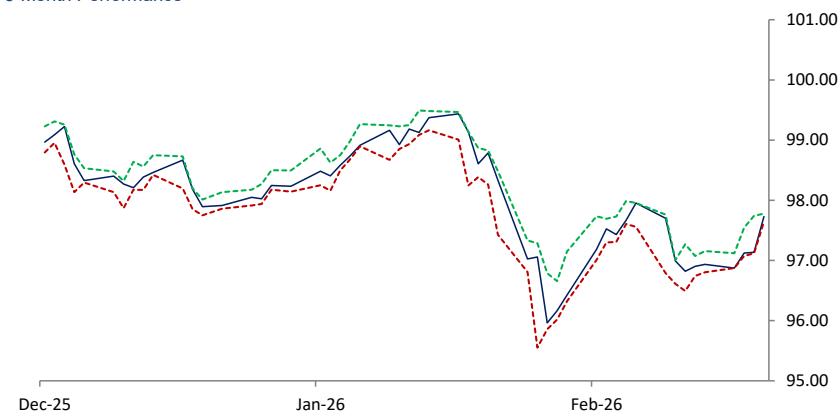
Kuwaiti Dinar Today 0.30540 / 0.30550

Key Market Highlights:

- Minutes from the Federal Reserve's January 27-28 meeting indicate a more cautious stance on additional easing, with several officials warning that persistent inflation could warrant renewed tightening. The Federal Open Market Committee voted 10-2 to maintain the federal funds rate at 3.5%-3.75%, with two governors dissenting in favour of a 25 basis point cut. Policymakers assessed that downside labour market risks had moderated, while inflation risks remained skewed to the upside, reaffirming commitment to the 2% target. Subsequent data showed payroll growth of 130K in January and unemployment declining to 4.3%, alongside modest CPI gains. Market pricing continues to imply a potential rate cut by June, though expectations have been partially repriced. DXY last printed at 97.608.
- Australia's labour market remained resilient in January, with the unemployment rate steady at 4.1% versus a 4.2% consensus, reinforcing the Reserve Bank of Australia's tightening bias. Employment increased by 17.8K, driven entirely by a 50.5K rise in full-time roles, while part-time positions fell by 32.7K. The participation rate held at 66.7%, underemployment edged up to 5.9%, and the employment-to-population ratio eased to 63.9%. Following the release, three-year government bond yields climbed 7 basis points to 4.31%, and the Australian dollar extended its 5.5% YTD gain. The policy rate remains at 3.85%, with markets pricing elevated odds of a further hike amid inflation forecasts remaining above the 2-3% target band and NAIUR estimated at 4.6%.

DXY

3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1700	1.1750	1.1800	1.1850	1.1900
GBP	1.3400	1.3450	1.3500	1.3550	1.3600
JPY	154.00	154.50	155.15	155.75	156.30
CHF	0.7610	0.7675	0.7725	0.7775	0.7820

Currencies	Closing	YTD %	Closing	YTD %
EUR/USD	1.1855	0.53	EUR/GBP	0.8737
GBP/USD	1.3568	0.41	GBP/JPY	208.02
USD/JPY	153.31	1.46	EUR/JPY	181.72
USD/CHF	0.7701	2.63	EUR/CHF	0.9129

Brief Technical Commentary

The USD has been the best performing currency post yesterday's Hawkish Fed Minutes. EURUSD has dipped below the 1.18 handle to a low of 1.1781. Support is now at 1.1750 and 1.1700. Resistance is at 1.1850.

The yen has been the most underperforming currency, down around -0.4% against the USD. A break above 155.50 will push us to test resistance at 155.75 and 156.30. Support for the pair is at 154.50 followed by 154.00.

Economic Events	Country	Event	Actual	Forecast	Previous
18-Feb-26	NZD	Official Cash Rate	2.25%	2.25%	2.25%
18-Feb-26	GBP	CPI y/y	3.0%	3.0%	3.4%
18-Feb-26	USD	FOMC Meeting Minutes			
19-Feb-26	AUD	Unemployment Rate	4.1%	4.2%	4.1%
19-Feb-26	USD	Unemployment Claims		229K	227K
20-Feb-26	EUR	Flash Manufacturing PMI		50	49.5
20-Feb-26	GBP	Flash Services PMI		53.4	54
20-Feb-26	USD	Advance GDP q/q		2.8%	4.4%
20-Feb-26	USD	Core PCE Price Index m/m		0.3%	0.2%
20-Feb-26	USD	Flash Manufacturing PMI		52.1	52.4

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	67.79	4.47	Dow Jones	49,533.19	0.62
Brent	70.95	3.74	Nikkei 225	56,566.49	1.02
West Texas	62.33	4.03	S&P 500	6,843.22	0.85
Gold	4,877.89	2.49	KuwaitSE	8,697.46	0.51

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	2.00	3.38	3.56	3.75	3.94
USD	3.71	3.68	3.67	3.61	3.44
EUR	1.90	1.93	2.01	2.16	2.22
GBP	3.73	3.73	3.60	3.52	3.43

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.48	3.51	3.66	4.10	4.72
Germany	1.97	2.05	2.35	2.76	3.43
United Kingdom	3.57	3.57	3.80	4.38	5.18
Japan	1.25	1.39	1.62	2.13	3.31