

Treasury Daily Newsletter

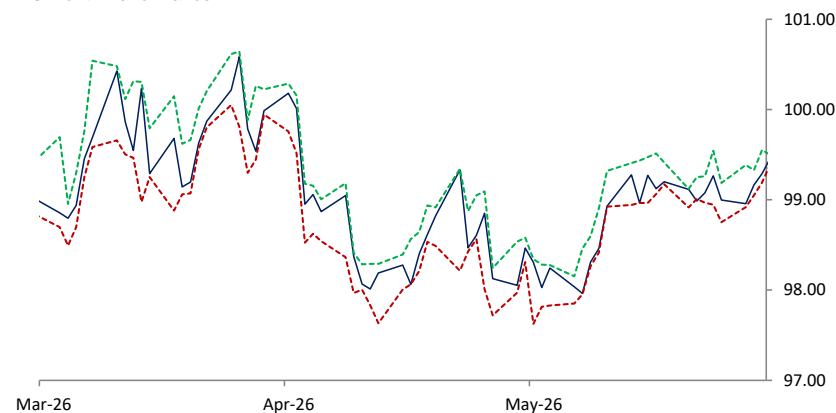
4-Jun-26

Kuwaiti Dinar Today 0.30690 / 0.30700

Key Market Highlights:

- The U.S. Dollar Index (DXY) was supported after the Institute for Supply Management reported that its non-manufacturing (services) PMI rose to 54.5 in May from 53.6 in April, exceeding expectations and indicating faster expansion in the services sector. Businesses increased orders and inventories amid supply concerns, while employment growth within the survey remained subdued. On the labor side, ADP reported private payrolls increased by 122,000 in May, above the 117,000 consensus forecast. Ahead of Friday's employment release, expectations of nonfarm payrolls shift towards a prediction of an increase by 85,000 in May, down from 115,000 in April, with the unemployment rate seen unchanged at 4.3%.
- In energy markets, oil volatility and potential oil volatility (energy & petro-products) remain the dominant macro driver for FX. Crude prices eased today on hopes that the new Israel-Lebanon ceasefire could support broader de-escalation efforts involving Iran, reducing immediate supply-risk premiums after sharp gains earlier this week. Brent crude had surged toward the high-\$90s amid renewed hostilities before pulling back slightly this morning within ~\$96 as peace expectations improved. The pullback in oil does aid in tempering inflation concerns globally, a development that is particularly relevant for major energy-importing economies such as the euro zone and Japan, yet said currencies remain sensitive to energy-price shocks.

DXY
3-Month Performance



| Technical Levels | Support 2 | Support 1 | Spot | Resistance 1 | Resistance 2 |
|------------------|-----------|-----------|--------|--------------|--------------|
| EUR | 1.1495 | 1.1560 | 1.1610 | 1.1650 | 1.1710 |
| GBP | 1.3310 | 1.3380 | 1.3430 | 1.3480 | 1.3530 |
| JPY | 158.80 | 159.45 | 159.85 | 160.35 | 160.90 |
| CHF | 0.7800 | 0.7865 | 0.7905 | 0.7940 | 0.8010 |

| Currencies | Closing | YTD % | Closing | YTD % | |
|------------|---------|-------|---------|--------|------|
| EUR/USD | 1.1595 | 1.16 | EUR/GBP | 0.8642 | 0.80 |
| GBP/USD | 1.3416 | 0.35 | GBP/JPY | 214.69 | 1.71 |
| USD/JPY | 160.03 | 2.06 | EUR/JPY | 185.63 | 0.89 |
| USD/CHF | 0.7918 | 0.18 | EUR/CHF | 0.9186 | 1.34 |

Brief Technical Commentary

EUR/USD: The pair remains heavy with price trading below short term moving averages. Rallies toward 1.1630/1.1650 continue to face resistance while 1.1560 remains the first key support.

USD/JPY: The pair retains a constructive setup despite today's sharp downside spike, with price continuing to hold above 159.45 support. The market continues to probe the 160-160.35 area.

| Commodities | Last Price | % Change | Global Indices | Last Price | % Change |
|-------------|------------|----------|----------------|------------|----------|
| Kuwait Oil | 110.20 | 1.22 | Dow Jones | 50,687.07 | 0.60 |
| Brent | 96.98 | 0.85 | Nikkei 225 | 67,361.64 | 1.52 |
| West Texas | 95.29 | 0.76 | S&P 500 | 7,553.68 | 0.73 |
| Gold | 4,477.24 | 0.85 | KuwaitSE | 8,774.13 | 0.52 |

| 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 | 54.5 | 53.8 | 53.6 |
| 04-Jun-26 | CHF | CPI m/m | 0.2% | 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 | 3.38 | 3.56 | 3.75 | 3.94 |
| USD | 3.63 | 3.61 | 3.65 | 3.71 | 3.85 |
| EUR | 1.89 | 1.99 | 2.28 | 2.54 | 2.79 |
| GBP | 3.73 | 3.75 | 3.81 | 3.95 | 4.17 |

| Government Yields (%) | 1-Year | 2-Year | 5-Year | 10-Year | 30-Year |
|-----------------------|--------|--------|--------|---------|---------|
| United States | 3.78 | 4.07 | 4.20 | 4.48 | 4.98 |
| Germany | 2.46 | 2.65 | 2.74 | 3.02 | 3.56 |
| United Kingdom | 4.18 | 4.35 | 4.46 | 4.91 | 5.62 |
| Japan | 1.12 | 1.40 | 1.91 | 2.65 | 3.86 |