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TREASURY GROUP
NATIONAL BANK OF KUWAIT

Treasury Daily Newsletter

5-Feb-26

Kuwaiti Dinar Today 0.30555 / 0.30565

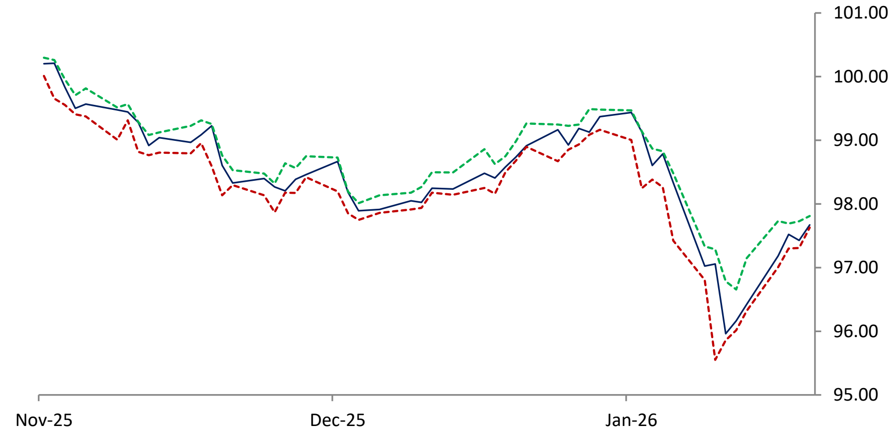
Key Market Highlights:

- US services sector activity sustained its strongest back-to-back expansion since October 2024, with the Institute for Supply Management services index unchanged at 53.8 in January, firmly above the 50 expansion threshold. The resilience was driven by a marked acceleration in business activity, which rose by more than 2 points to 57.4, the highest level since October 2024, while eleven of eighteen industries reported growth, led by health care, utilities, construction, and retail trade. By contrast, momentum softened elsewhere: new orders eased to 53.1 from a one-year high, export orders contracted at the fastest pace since March 2023, and employment showed only marginal gains, consistent with ADP private payroll growth of 22K. Inflationary pressures persisted, with prices paid rising to a three-month high of 66.6, alongside longer supplier delivery times and a sharp drawdown in service-sector inventories to 45.1.

- Euro-area inflation decelerated further below the European Central Bank's 2% target in January, with headline consumer prices rising 1.7% YoY, the weakest reading since September 2024 and in line with market expectations. Underlying price pressures also moderated, as core inflation eased unexpectedly to 2.2%, the lowest level since October 2021, while services inflation slowed to 3.2%, according to Eurostat. The disinflationary trend coincides with the ECB's first policy meeting of 2026, where policy rates are widely expected to remain unchanged at 2% for a fifth consecutive meeting. Inflation dynamics remain uneven across member states, with Germany at 2.1% and France recording a five-year low of 0.4%. While euro-area GDP expanded 0.3% QoQ in the fourth quarter of 2025, currency strength and external trade risks continue to shape the policy outlook.

DXY

3-Month Performance



Technical Levels	Support 2	Support 1	Spot	Resistance 1	Resistance 2
EUR	1.1670	1.1730	1.1785	1.1835	1.1900
GBP	1.3510	1.3570	1.3620	1.3670	1.3730
JPY	155.70	156.40	156.90	157.45	158.00
CHF	0.7640	0.7740	0.7785	0.7820	0.7875

Currencies	Closing	YTD %		Closing	YTD %
EUR/USD	1.1807	0.35	EUR/GBP	0.8646	0.74
GBP/USD	1.3654	1.09	GBP/JPY	214.17	1.15
USD/JPY	156.86	0.09	EUR/JPY	185.20	0.47
USD/CHF	0.7774	1.82	EUR/CHF	0.9177	1.44

Brief Technical Commentary

EUR/USD: The euro softened against the dollar, with the pair trading around 1.1785. A break below this level would extend the move lower toward 1.1730, while resistance is seen at 1.1835.

GBP/USD: Cable continues to extend yesterday's losses, currently trading near 1.3620. A break below 1.3600 would open the way toward 1.3570, with resistance at 1.3670.

Commodities	Last Price	% Change	Global Indices	Last Price	% Change
Kuwait Oil	65.00	1.86	Dow Jones	49,501.30	0.53
Brent	69.46	2.09	Nikkei 225	54,293.36	0.82
West Texas	65.14	2.12	S&P 500	6,882.72	0.51
Gold	4,964.93	2.21	KuwaitSE	8,731.65	0.66

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%
04-Feb-26	CNY	RatingDog Services PMI	52.3	52.0	52.0
04-Feb-26	NZD	Unemployment Rate	5.4%	5.3%	5.3%
04-Feb-26	EUR	Core CPI Flash Estimate y/y	2.2%	1.8%	1.9%
04-Feb-26	USD	ADP Non-Farm Employment Chang	22K	48K	41K
04-Feb-26	USD	ISM Services PMI	53.8	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	CAD	Employment Change		5.2K	8.2K

Local & Global Rates (%)	O/N	1-Month	3-Month	6-Month	1-Year
KWD	1.94	3.38	3.56	3.75	3.94
USD	3.69	3.67	3.66	3.61	3.48
EUR	1.90	1.96	2.03	2.16	2.23
GBP	3.73	3.73	3.70	3.63	3.54

Government Yields (%)	1-Year	2-Year	5-Year	10-Year	30-Year
United States	3.56	3.63	3.82	4.27	4.91
Germany	1.93	2.09	2.43	2.86	3.52
United Kingdom	3.70	3.70	3.96	4.54	5.33
Japan	1.27	1.44	1.67	2.22	3.55