

Foreign Exchange Development

The dollar wallowed near its lowest in nearly four years against the euro on Monday as market optimism over U.S. trade deals bolstered bets for earlier Federal Reserve interest rate cuts.

The dollar index - which measures the U.S. currency against six major counterparts, including the euro, sterling and franc - edged up 0.1% to 97.276, but was still not far from the more than three-year low of 96.933 late last week.

Sterling was little changed at \$1.3709, hovering close to Thursday's peak of \$1.37701, a level not previously seen since October 2021.

Oil prices fell on Monday as an easing of geopolitical risks in the Middle East and the prospect of another OPEC+ output hike in August improved supply expectations amid persistent uncertainty over the outlook for global demand.

Gold reversed course and edged higher on Monday, supported by a weaker dollar, after hitting a more than one-month low earlier as easing U.S.-China trade tensions dampened safe-haven demand and bolstered risk appetite.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1738	3.43	8.50	13.36
GBP/USD	1.3738	2.04	6.31	9.77
USD/CHF	0.7978	-3.06	-9.82	-12.11
USD/JPY	143.88	-0.15	-4.08	-8.29
AUD/USD	0.6550	1.82	4.84	5.83
USD/CAD	1.3665	-0.56	-5.03	-4.99
USD INDEX	97.09	-2.26	-6.83	-10.51
Gold	Silver	KWT OSP	Brent	
3287.16	36.19	69.56	67.42	

GBP/USD - 1 Month



Economic Updates

Canada scrapped its digital services tax targeting U.S. technology firms late on Sunday, just hours before it was due to take effect, in a bid to advance stalled trade negotiations with the United States.

The BOJ's increasing caution around raising interest rates further relies heavily on a relatively obscure inflation reading, which policy doves argue suggests weak consumer demand but critics say messes with the bank's messaging.

U.S. Senate Republicans pushed Trump's sweeping tax cut and spending bill forward in a marathon weekend session even as a nonpartisan forecaster said it would add an estimated \$3.3 trillion to the nation's debt over a decade.

Saudi Arabia's net foreign direct investment fell 7% in the first quarter compared to the previous quarter, as the kingdom continues to lag behind its ambitious FDI goals.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	43,819.27	432.43	3.67	3.00
FTSE 100	8,798.91	63.31	0.30	7.66
KUWAIT ALL	8,438.48	145.11	4.02	14.61
Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	4.32887	4.29058	4.14083	3.88362
EURIBOR	1.9160	1.9390	2.0360	2.0620
KIBOR	3.8750	4.0625	4.2500	4.4375
Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	3.940	3.717	3.832	4.281
Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	4.125	4.250	4.375
KONIA	2.270			
SOFR	4.400			
Country	KWT	US	EURO	UK
INT. RATES	4.000	4.500	2.25	4.250

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
30Jun	United Kingdom	GDP YY	1.30	1.30
01Jul	United States	ISM Manufacturing PMI	48.50	48.80
03Jul	United States	Average Earnings YY	3.90	3.86
03Jul	United Kingdom	S&P GLOBAL PMI	50.70	50.70
03Jul	United States	Non-Farm Payrolls	139K	114K
03Jul	United States	Unemployment Rate	4.20	4.28
03Jul	United States	Initial Jobless Clm	236K	242K

Source: Reuters and Bloomberg

The material made available in this presentation is for information purposes only and cannot be used and/or Any reliance you place on such information is therefore entirely at your own risk. It is the responsibility of the user/reader to check the accuracy of relevant facts before entering into any financial or other commitment based upon them. In no event will Gulf Bank be held liable in contract, tort (including relied upon for any other purpose. Gulf Bank makes no representations or warranties of any kind, either express or implied, as to the completeness, accuracy, reliability or suitability of the information, products or services contained herein or their fitness to your business or needs whatsoever. without limitation negligence) and/or breach of statutory duty for any direct, indirect, special, incidental or consequential loss or damage (including but not limited to any economic loss and/or loss of profits) arising out of or in connection with the use of this newsletter or the information contained therein. For further information please contact our Treasury Sales Desk at TSD@gulfbank.com.kw or at 22082252 / 2440