Daily Market Commentary

Gulf Bank Treasury Sales Desk

GULF BANK بنك الخليج

CBK USD/KWD	0.30780	0.30790	July 29, 2026

Foreign Exchange Development

The U.S. dollar held near a one-month high on Wednesday as hostilities flared anew in the Middle East, while traders awaited a key Federal Reserve interest rate decision later in the day.

The euro was nursing losses after falling to a one-month low in the previous session, inching up 0.03% to $1.1389.

Sterling eased 0.03% to $1.3287, languishing near its weakest level since July 1. The New Zealand dollar declined 0.08% to $0.5783.

The dollar was firm at 101.38 against its peers and stood near a 40-year peak against the yen at 163.74.

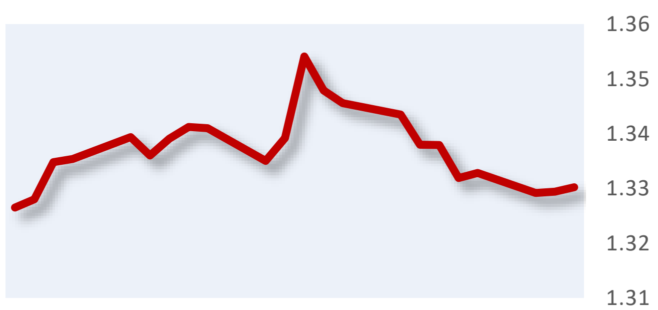
Oil prices rose more than $3 a barrel on Wednesday after joint strikes in Iraq by the United States and Saudi Arabia, and the interception of Iran's ballistic missiles aimed at U.S. forces in the Middle East, while U.S. crude inventories shrank.

Gold prices were steady on Wednesday as investors awaited the U.S. Federal Reserve's policy decision and comments from Fed Chairman Kevin Warsh for clues on inflation and interest rate outlooks.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1401	-0.19	-2.74	-2.95
GBP/USD	1.3300	0.28	-1.73	-1.31
USD/CHF	0.8175	1.13	4.18	3.14
USD/JPY	163.41	0.52	2.52	4.30
AUD/USD	0.6954	0.48	-2.74	4.20
USD/CAD	1.4093	-0.74	3.09	2.67
USD INDEX	101.26	0.07	2.32	2.99
Gold	**Silver**	**KWT OSP**	**Brent**	
4030.80	57.76	85.54	85.08	

GBP/USD - 1 Month



Economic Updates

Federal Reserve policymakers are expected to keep rates unchanged this week despite persistent inflation, as cooler price data and concerns that a single hike would signal the start of a broader tightening cycle raise the bar for an immediate rate increase.

China’s central bank kept its overnight reverse repo rate unchanged while injecting liquidity to support short-term funding conditions.

A Reuters poll showed economists have raised inflation forecasts and lowered growth expectations for most major economies as prolonged Middle East tensions and higher oil prices increase the risk of persistent global inflation.

Blackstone plans to open a Kuwait office in Q3 2026 as part of its GCC expansion strategy, following its participation in a $16 billion pipeline lease-and-leaseback transaction with Kuwait Oil Company.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	52,747.32	1.03	0.82	9.75
FTSE 100	10,871.02	89.27	3.64	9.54
KUWAIT ALL	8,766.09	25.49	0.69	-1.59
Benchmark	**1 Month**	**3 Month**	**6 Month**	**12 Month**
TERM SOFR	3.74903	3.84300	3.97915	4.14848
EURIBOR	2.1750	2.4540	2.7070	2.9820
KIBOR	3.4375	3.5625	3.7500	3.9375
Benchmark	**1 Year**	**3 Year**	**5 Year**	**10 Year**
US TRSY	4.063	4.311	4.372	4.608
Benchmark	**ON**	**3 Month**	**6 Month**	**12 Month**
CBK BOND	-	3.625	3.750	3.875
KONIA	2.430			
SOFR	3.640			
Country	**KWT**	**US**	**EURO**	**UK**
INT. RATES	3.500	3.750	2.25	3.750

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
30Jul	Euro Zone	Unemployment Rate	6.2	6.21
30Jul	Euro Zone	GDP Flash Prelim YY	0.30	0.53
30Jul	United Kingdom	BOE Bank Rate	3.75	3.75
30Jul	United States	Core PCE Price Index YY	3.4	3.31
30Jul	United States	PCE Price Index YY	4.10	3.68
30Jul	United States	Initial Jobless Clm	187K	202K

Source: Reuters and Bloomberg