Daily Market Commentary

Gulf Bank Treasury Sales Desk

بنك الخليج GULF BANK

CBK USD/KWD 0.30705 0.30715 **August 3, 2026**

Foreign Exchange Development

The yen strengthened sharply after coordinated U.S.-Japan intervention triggered a large unwinding of short yen positions, driving USD/JPY toward 155.20 and extending pressure on the U.S. dollar.

Broad dollar weakness supported major currencies, with EUR/USD rising to a one-and-a-half month high near 1.1559 and GBP/USD hovering around a two-week peak near 1.3476.

Markets remain alert for further intervention by Japanese authorities, as the success of past coordinated actions and growing expectations of tighter BOJ policy continue to underpin the yen.

Oil prices tumbled more than $4 a barrel on Monday after U.S. President Donald Trump held off on a fresh attack on Iran, seeking to reach a quick deal that would halt Tehran's nuclear ambitions and reopen the Strait of Hormuz.

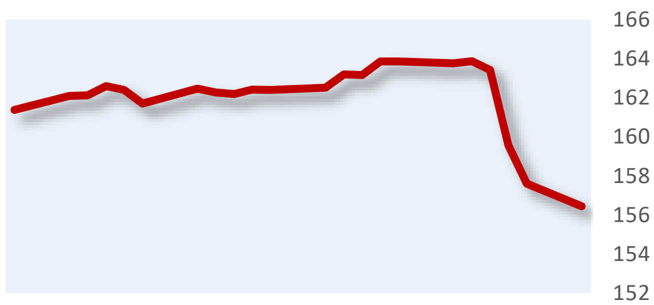
Gold rose on Monday as oil prices fell after U.S. President Donald Trump held off on fresh attacks on Iran in hopes of a swift deal, slightly easing concerns over inflation and higher interest rates.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1535	0.05	-1.34	-1.81
GBP/USD	1.3474	-0.07	-0.51	-0.02
USD/CHF	0.8086	0.14	3.18	2.04
USD/JPY	156.52	-0.70	-0.28	-0.11
AUD/USD	0.7032	0.13	-1.91	5.37
USD/CAD	1.4036	0.11	2.99	2.24
USD INDEX	99.72	-1.45	1.37	1.42

Gold	Silver	KWT OSP	Brent
4058.20	58.16	129.65	91.16

USD/JPY - 1 Month



Economic Updates

China reaffirmed its investment and advanced manufacturing-led growth strategy while resisting calls for major consumer-focused stimulus, signaling greater confidence in defending its economic model ahead of trade negotiations with the United States and Europe.

U.S. Treasury Secretary Scott Bessent supported expanding the Federal Reserve's FIMA Repo Facility and reiterated readiness for further joint intervention with Japan, highlighting efforts to stabilize currency markets and support global financial liquidity.

Kuwait increased its crude oil production to 1.971 million barrels per day in July from 1.65 million in June, signaling improving Gulf oil flows through the Strait of Hormuz despite regional disruptions linked to the Iran conflict.

Emirates NBD said on Sunday that its fully-owned subsidiary in Egypt had entered into a definitive agreement to acquire the retail banking business of HSBC Egypt.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	52,485.03	276.97	0.32	9.20
FTSE 100	10,868.05	-29.22	3.53	9.43
KUWAIT ALL	8,796.46	39.78	0.45	-1.25
Benchmark	**1 Month**	**3 Month**	**6 Month**	**12 Month**
TERM SOFR	3.65677	3.75092	3.87762	4.04506
EURIBOR	2.2090	2.4840	2.7060	2.9640
KIBOR	3.3750	3.5625	3.7500	3.9375
Benchmark	**1 Year**	**3 Year**	**5 Year**	**10 Year**
US TRSY	4.021	4.304	4.401	4.688
Benchmark	**ON**	**3 Month**	**6 Month**	**12 Month**
CBK BOND	-	3.625	3.750	3.875
KONIA	2.840			
SOFR	3.650			
Country	**KWT**	**US**	**EURO**	**UK**
INT. RATES	3.500	3.750	2.25	3.750

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
04Aug	United States	International Trade $	-77.6	-73.64
04Aug	United States	Factory Orders MM	-1.30	-0.17
06Aug	Germany	Industrial Orders MM	1.90	-0.51
06Aug	United States	Initial Jobless Clm	197	202.9
07Aug	Germany	Industrial Output MM	0.90	0.04
07Aug	United States	Non-Farm Payrolls	57	85.8

Source: Reuters and Bloomberg