

Foreign Exchange Development

The dollar clung to its recent strength near a two-month high on Thursday as fresh Gulf hostilities sent oil prices higher and sapped risk appetite, while the Japanese yen hovered near the key 160 level that kept traders on intervention alert.

The euro stood at \$1.1604, and the British pound traded at \$1.3424, both largely flat so far in Asia. The Japanese yen fetched 159.91 per dollar, off lows on Wednesday that pushed it past the critical 160-per-dollar mark for the first time since April 30, triggering verbal warnings from authorities.

The risk-sensitive Australian dollar was steady at \$0.7132, and the New Zealand dollar rose 0.2% to \$0.5872 to rebound from a one-week low.

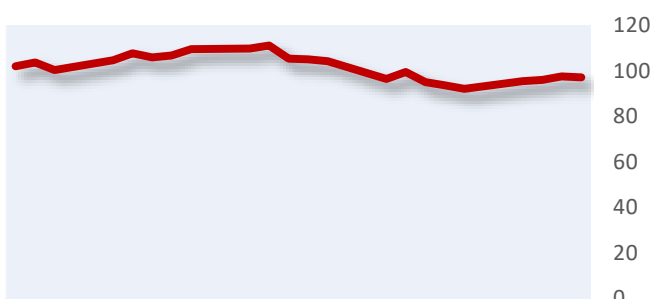
Oil prices fell on Thursday as a ceasefire deal between Israel and Lebanon boosted hopes for a broader agreement to end the U.S.-Israeli war with Iran that could lead to a reopening of the Strait of Hormuz.

Gold prices gained on Thursday, supported by lower crude oil prices and a weaker dollar, as investors assessed renewed expectations for a resolution to the U.S.-Israeli war with Iran.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1607	-0.46	-0.24	-1.19
GBP/USD	1.3425	-0.28	0.37	-0.39
USD/CHF	0.7913	1.25	1.53	-0.19
USD/JPY	159.93	0.41	1.84	2.09
AUD/USD	0.7125	-0.82	0.72	6.77
USD/CAD	1.391	0.81	1.95	1.33
USD INDEX	99.45	0.55	0.13	1.15
Gold	Silver	KWT OSP	Brent	
4472.69	73.48	111.60	97.53	

Brent - 1 Month



Economic Updates

Bank of Japan Governor Kazuo Ueda has all but cemented a June rate hike in a clear narrative pivot toward inflation fighting as the Iran war-driven energy shock sharpens price risks and opens the door to more frequent increases in borrowing costs.

U.S. services sector activity picked up in May as businesses preemptively placed orders and replenished inventories in anticipation of shortages and higher prices stemming from the war in the Middle East.

Saudi Arabia's economy has proved resilient during the Middle East war, but the conflict has weighed on non-oil activity and confidence, leaving growth this year "notably" lower, the International Monetary Fund said.

Kuwait could restore nearly 70% of its oil production within six to eight weeks after the Strait of Hormuz reopens, KPC's managing director for international marketing, said on Wednesday.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	50,687.07	-620.72	-0.68	5.46
FTSE 100	10,332.30	-41.21	-0.74	4.04
KUWAIT ALL	8,728.39	-35.92	-0.98	-2.01
Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	3.61264	3.65177	3.71106	3.84898
EURIBOR	1.9910	2.2760	2.5400	2.7860
KIBOR	3.4375	3.5625	3.7500	3.9375
Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	3.787	4.126	4.211	4.491
Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	3.625	3.750	3.875
KONIA	2.680			
SOFR	3.630			
Country	KWT	US	EURO	UK
INT. RATES	3.500	3.750	2.00	3.750

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
04Jun	United States	Initial Jobless Clm	215	215.8
05Jun	Euro Zone	GDP Revised YY	0.8	0.81
05Jun	United States	Non-Farm Payrolls	115	83
05Jun	United States	Unemployment Rate	4.3	4.31
10Jun	United States	Core CPI MM, SA	0.4	0.24
10Jun	United States	CPI MM, SA	0.6	0.57

Source: Reuters and Bloomberg