

Foreign Exchange Development

The dollar remained on the defensive on Thursday as hopes for a de-escalation in the Iran-U.S. war supported oil-exposed currencies, while Tokyo resumed its verbal intervention in support of the yen, keeping speculators cautious.

The dollar index slipped to as low as 97.902, not far from the two-week low it touched overnight, and well short of last week's top of 99.092.

Sterling was steady at \$1.3594, ahead of key local elections with global investors wary that a poor showing for the ruling Labour Party could pave the way for an unwelcome leadership challenge and renew concerns about fiscal slippage.

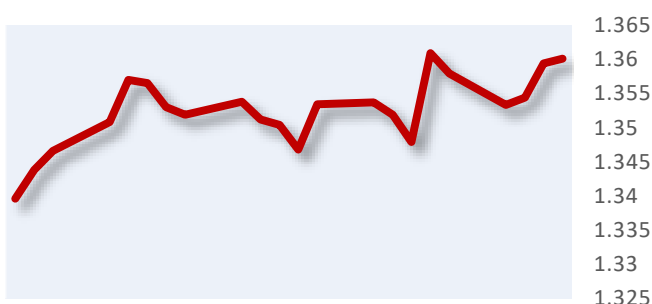
Oil supplies are set to tighten further in coming weeks even if the U.S. and Iran agree on a peace deal to end their war because it will take weeks for oil shipments to resume from the Middle East Gulf and reach refiners worldwide - so oil companies will continue to deplete storage tanks to meet peak summer demand.

Gold prices held largely steady near a one-week high as investors remained on the sidelines awaiting further details on a potential U.S.-Iran peace deal.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1751	0.16	-1.38	0.03
GBP/USD	1.3598	-0.04	-0.70	0.90
USD/CHF	0.7793	-0.28	1.70	-1.69
USD/JPY	156.39	-0.15	0.31	-0.20
AUD/USD	0.7249	0.67	2.20	8.62
USD/CAD	1.3638	0.41	0.59	-0.66
USD INDEX	98.00	-0.05	0.18	-0.32
Gold	Silver	KWT OSP	Brent	
4697.33	77.66	98.42	101.96	

GBP/USD - 1 Month



Economic Updates

Many Bank of Japan board members saw the need to raise interest rates if the Iran war-driven energy shock is prolonged and gives rise to concerns over second-round effects on broader inflation, minutes of their March meeting showed on Thursday.

Federal Reserve officials said on Wednesday the ongoing U.S.-backed war with Iran is raising the risk of a sustained inflation shock, with continued high oil prices and developing concerns about problems with global supply chains.

Saudi Arabia's Public Investment Fund (PIF) has opened a new office in Shanghai, its second in mainland China, to deepen investment ties and facilitate deal-making in the region. The Shanghai office, registered in 2025 and operating under the Beijing branch, aims to boost outbound deals while attracting Chinese firms to the Kingdom.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	49,910.59	612.34	0.52	3.84
FTSE 100	10,438.66	219.55	0.58	5.11
KUWAIT ALL	8,906.53	35.54	0.52	-0.01
Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	3.63940	3.64957	3.67004	3.76651
EURIBOR	1.9580	2.2180	2.5230	2.8370
KIBOR	3.3750	3.5625	3.7500	4.0000
Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	3.699	3.891	3.999	4.350
Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	3.625	3.750	3.875
KONIA	2.730			
SOFR	3.620			
Country	KWT	US	EURO	UK
INT. RATES	3.500	3.750	2.00	3.750

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
07May	Germany	Industrial Orders MM	0.9	1.2
07May	United States	Initial Jobless Clm	189	205.4
08May	Germany	Industrial Output MM	-0.3	0.38
08May	United States	Non-Farm Payrolls	178	61.2
08May	United States	Unemployment Rate	4.3	4.3
08May	United States	Average Earnings YY	3.5	3.78

Source: Reuters and Bloomberg