Daily Market Commentary
Gulf Bank Treasury Sales Desk

بنك الخليج GULF BANK

CBK USD/KWD	0.30710	0.30720	August 18, 2026

Foreign Exchange Development

The U.S. dollar held near multi-month lows against most major currencies on Tuesday as traders walked back expectations of near-term monetary tightening, although the imminent threat of an escalation in the Middle East war left sentiment fragile.

The euro fetched $1.1581 in early Asian hours, not far from the two-month high of $1.1614 it touched on Monday. Sterling was at $1.3548, just shy of the three-month peak it touched in the previous session.

The yield on the 30-year bond hovered near its highest level in nearly 20 years, while the 10-year JGB yield hit its highest level since September 1996.

Oil prices rose on Tuesday as prospects receded for a deal to end the Middle East war, with Iran saying it would adopt a more offensive stance and the United States ruling out extension of a ceasefire deal, heightening worries about energy supply.

Gold prices came under pressure on Tuesday from higher Treasury yields and a spike in oil prices, while traders awaited minutes of the U.S. Federal Reserve's July policy meeting for clues on the outlook for interest rates.

Economic Updates

The Federal Reserve will keep its key interest rate unchanged next month and through year-end, according to most economists in a Reuters poll, a view they have held for the past several months. Market pricing for a September quarter point hike flipped toward a near-70% chance of a hold, after recent news of unexpected job losses in July. Lower-than-expected consumer price inflation, alongside weaker retail sales, has also reinforced the view not all is well with the world's largest economy.

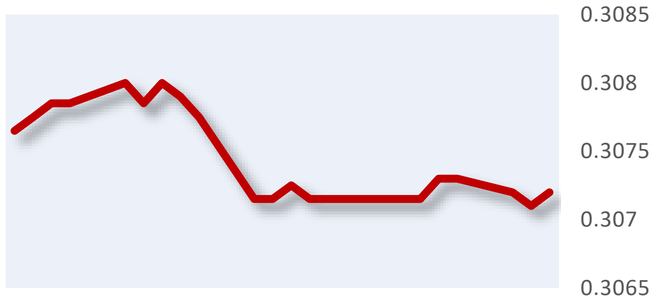
UAE expands global trade agreements as non-oil exports hit $123.3bn. the UAE has signed 38 Comprehensive Economic Partnership Agreements (CEPAs) since launching the programme in September 2021, expanding its network across Asia, Africa, Europe and other regions to strengthen the openness of the national economy, diversify export markets, enhance private-sector competitiveness and reinforce its position as a global trade and investment hub.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1572	0.37	-0.84	-1.49
GBP/USD	1.3539	0.39	0.99	0.44
USD/CHF	0.8119	0.55	3.61	2.46
USD/JPY	159.73	1.34	0.84	1.93
AUD/USD	0.7098	1.07	-1.72	6.35
USD/CAD	1.3881	-1.02	1.13	1.09
USD INDEX	99.67	-0.25	0.34	1.36

Gold	Silver	KWT OSP	Brent
4394.78	65.19	96.40	91.11

USD/KWD - 1 Month



Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	53,459.78	-272.63	1.86	11.23
FTSE 100	10,720.30	-29.81	-1.36	7.94
KUWAIT ALL	8,762.37	-79.34	0.07	-1.63

Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	3.64730	3.72267	3.82051	3.95178
EURIBOR	2.2140	2.5080	2.6710	2.9390
KIBOR	3.3750	3.5625	3.7500	4.0000

Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	3.953	4.268	4.391	4.736

Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	3.625	3.750	3.875
KONIA	2.640			
SOFR	3.620			

Country	KWT	US	EURO	UK
INT. RATES	3.500	3.750	2.25	3.750

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
19Aug	Japan	Trade Balance Total Yen	-406.9	-480.97
19Aug	Euro Zone	HICP Final YY	2.90	2.9
19Aug	United Kingdom	CPI Services YY	3.60	3.39
20Aug	Japan	CPI, Core Nationwide YY	1.6	1.79
21Aug	United Kingdom	Retail Sales MM	1.00	-0.35
21Aug	Euro Zone	Consumer Confid. Flash	-15.9	-16.28

Source: Reuters and Bloomberg