

Foreign Exchange Development

The U.S. dollar wobbled as new U.S. strikes in the Middle East undermined sentiment, while a surge in May U.S. consumer inflation to a three-year high kept investors uneasy about the Federal Reserve's monetary policy outlook.

The euro firmed a bit to \$1.1547, inching away from the 10-week low it hit last week. The spotlight will be on the European Central Bank policy meeting later in the day as it looks poised to raise rates to tackle inflation.

Sterling was at \$1.3379. The dollar index, which measures the U.S. currency against six major peers, eased to 99.903 after the U.S. military said it had completed strikes against multiple targets in Iran.

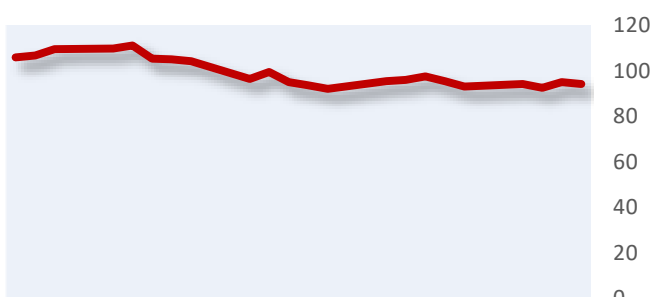
Oil prices jumped as Tehran declared the critical energy chokepoint, the Strait of Hormuz, closed after the U.S. launched additional strikes against Iran and as President Donald Trump vowed even more attacks if no peace deal is secured.

Gold prices steadied after hitting a six-month low, as investors awaited a key U.S. inflation report that could shed more light on the Federal Reserve's policy outlook.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1551	-0.93	-0.14	-1.66
GBP/USD	1.3389	-0.57	-0.22	-0.68
USD/CHF	0.7985	2.18	2.28	0.72
USD/JPY	160.53	0.77	0.97	2.44
AUD/USD	0.7013	-2.42	-1.99	5.05
USD/CAD	1.3938	1.01	2.53	1.53
USD INDEX	99.93	1.03	0.19	1.63
Gold	Silver	KWT OSP	Brent	
4080.31	63.84	102.41	95.00	

Brent - 1 Month



Economic Updates

U.S. consumer inflation increased at its fastest pace in three years in May, boosted by surging prices for energy products amid the Middle East conflict, and giving more ammunition for the Federal Reserve to keep interest rates unchanged into 2027.

Citing data released by the Bank of Japan (BOJ), Reuters reported that Japan's producer price index in May rose 6.3% from a year earlier, exceeding market forecasts for a 5.5% increase and faster than a revised 5.3% gain in April.

Arab News reported that Saudi Arabia's real GDP expanded by 3% YoY in Q1 2026, supported by growth across all major economic activities, with oil and non-oil activities each growing 2.9% and government activities rising 1.5%. Non-oil activities contributed the largest share to growth at 1.7 percentage points. On a seasonally adjusted basis, GDP declined by 1.2% QoQ due to a 6.8% drop in oil activities, partly offset by gains in government and non-oil sectors.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	49,918.78	-953.33	-2.18	3.86
FTSE 100	10,254.81	27.48	-1.48	3.26
KUWAIT ALL	8,712.04	-2.21	-1.17	-2.20
Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	3.62128	3.66369	3.74725	3.91842
EURIBOR	2.0630	2.3730	2.6060	2.8660
KIBOR	3.4375	3.5625	3.7500	4.0000
Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	3.873	4.185	4.264	4.540
Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	3.625	3.750	3.875
KONIA	2.660			
SOFR	3.600			
Country	KWT	US	EURO	UK
INT. RATES	3.500	3.750	2.00	3.750

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
11Jun	Euro Zone	ECB Refinancing Rate	2.15	2.383
11Jun	Euro Zone	ECB Deposit Rate	2	2.231
11Jun	United States	Initial Jobless Clm	225	220.6
12Jun	Germany	HICP Final YY	2.7	2.7
12Jun	United Kingdom	GDP Estimate MM	0.3	-0.06
12Jun	United Kingdom	Services MM	0.3	-0.12

Source: Reuters and Bloomberg