

Market Commentary

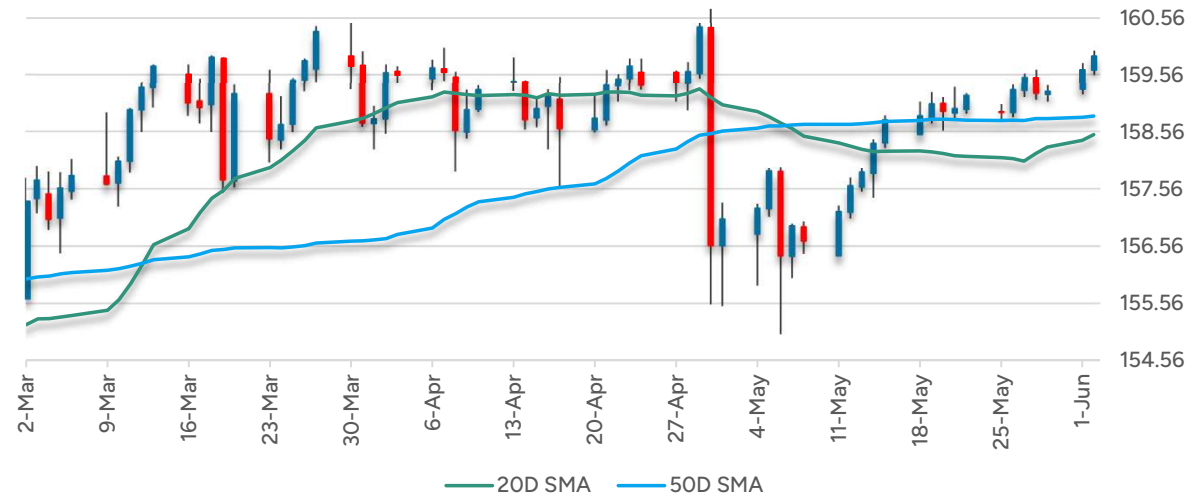
KFH Treasury

Report produced on
03-Jun-2026



Forex Market

JAPANESE YEN



CLOSE
159.89

1M %chg
1.82%

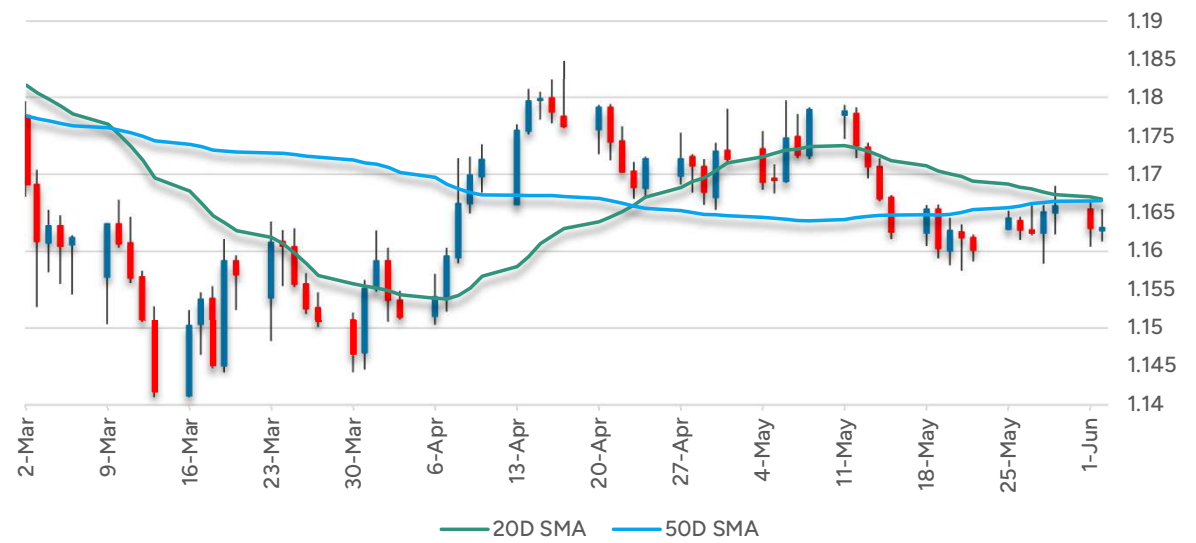
3M %chg
1.38%

USD/JPY, crosses off from early highs as longs book profits

03 Jun 2026 07:40:40 AM

- * USD/JPY, JPY crosses back off from early Asia highs as longs booked profits
- * USD/JPY from 160.00 early to 159.82 before steadying
- * Japan FinMin Katayama FX intervention threat today taken more seriously
- * That said, good demand on dips, Japan importers good buyers every Tokyo fix
- * Technically, USD/JPY pulling away from 156.59-159.03 daily Ichimoku cloud
- * Cloud also looking to taper, fall, to 157.86 over course of week
- * Hourly chart shows support from 159.83 Ichimoku kijun, cloud 159.43-63 below

EURO



CLOSE
1.1631

1M %chg
-0.76%

3M %chg
0.15%

EUR/USD heavy still, EUR/JPY and EUR/CHF better bid though

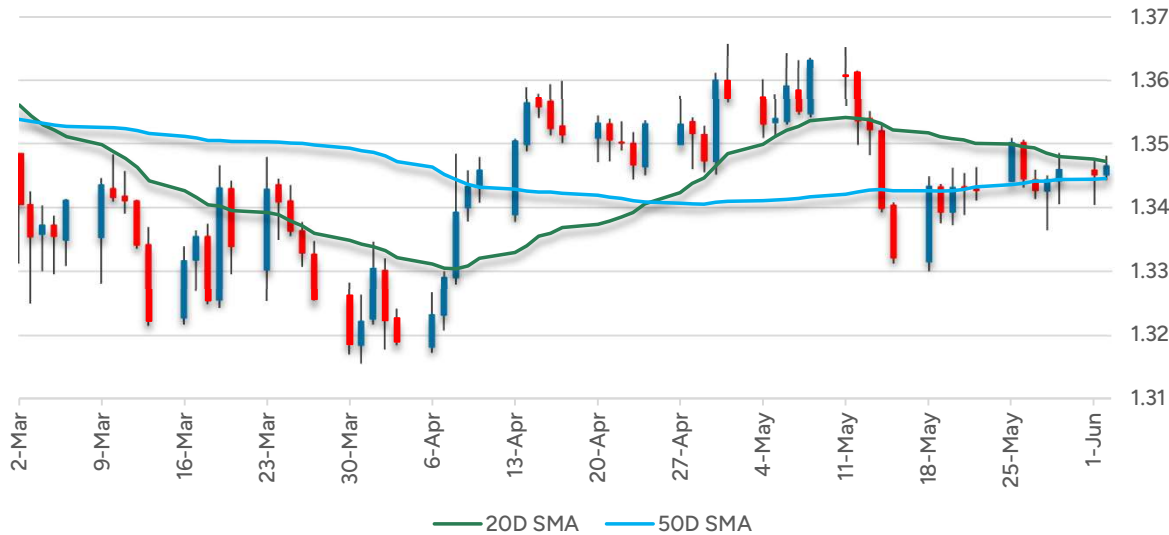
03 Jun 2026 06:58:57 AM

- * EUR/USD continues to trade heavy, Asia today 1.1620-34 EBS
- * Holding mostly below 1.1633-1.1700 daily Ichimoku cloud
- * 200 and 100-DMAs above too at 1.1682 and 1.1697, respectively
- * EUR/USD also mostly below 1.1631-46 hourly Ichimoku cloud
- * 200 and 100-HMAs both in cloud at 1.1634 and 1.1639, respectively
- * Massive option expiries in area today to again help contain spot action

Forex Market



POUND STERLING



CLOSE

1.3465

1M %chg

-0.79%

3M %chg

0.83%

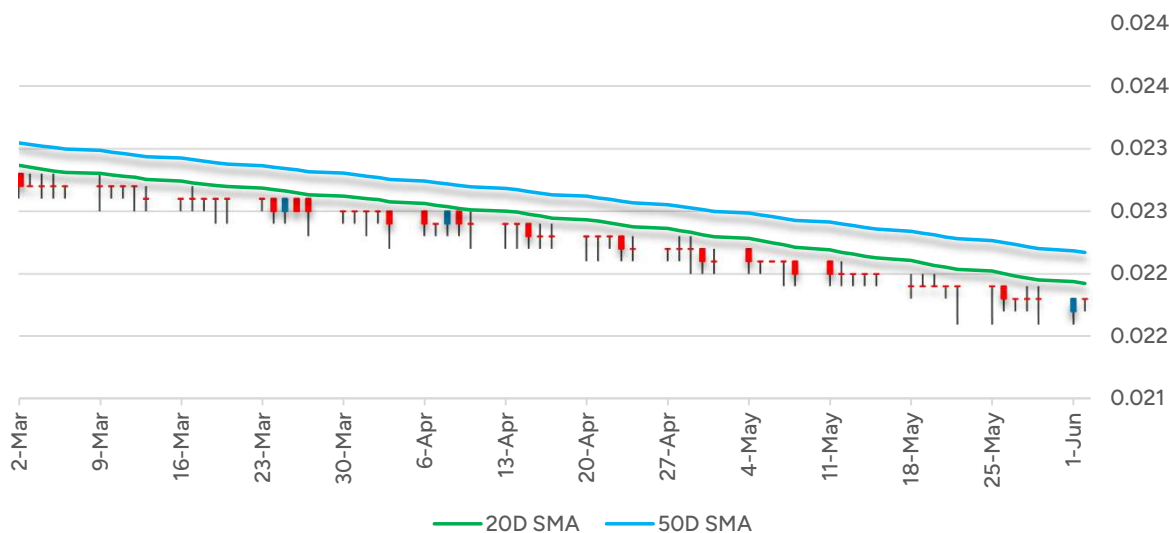
GBP/USD-Steady with a wary eye on rising Iran-US tensions

03 Jun 2026 06:52:32 AM

- * GBP/USD steady in Asia as Iran stalemate keeps traders on sidelines
- * Hostilities flare in Iran war but Trump insists talks with Tehran ongoing
- * UK political risks ahead of June 18 by-election keep trading subdued
- * PM Starmer may face leadership challenge if Labour Party's Burnham wins
- * Strong resistance at 1.3500-10, supports 1.3450, 1.3400-10
- * Tuesday range 1.34515-1.34815, Asia 1.3450-70



TURKISH LIRA



CLOSE

0.0218

1M %chg

-1.36%

3M %chg

-3.96%

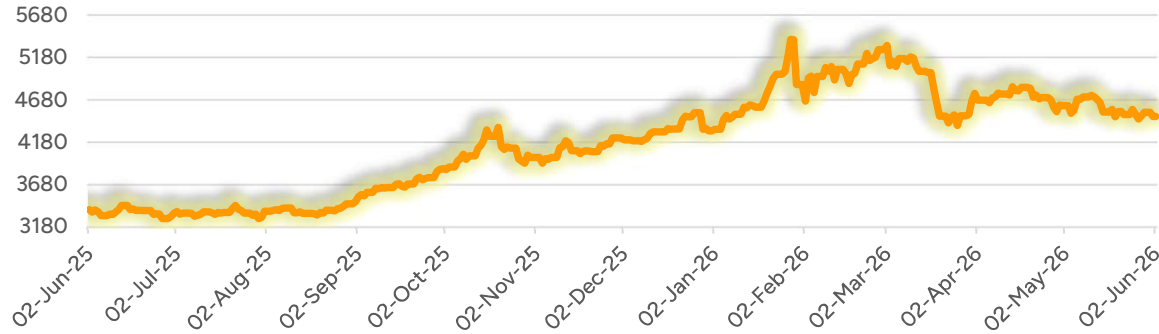
Turkish auto sales drop 22.55% year-on-year in May, association says

02 Jun 2026 10:36:44 PM

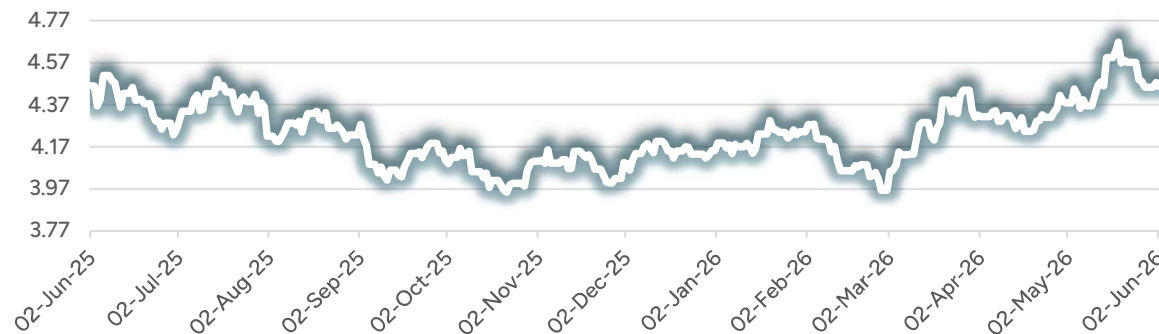
GDANSK, June 2 (Reuters) - Sales of passenger cars and light commercial vehicles in Turkey fell 22.55% year-on-year in May to 83,442 units, the Automotive Distributors and Mobility Association said on Tuesday. In May, passenger car sales were down 23.19% to 65,386 while vehicles and light commercial vehicle sales decreased 20.13% to 18,056 units. In the January-May period sales of passenger cars and light commercial vehicles decreased 7.4% to 453,138 units, according to the association.

Gold, US Treasury & Dollar Index

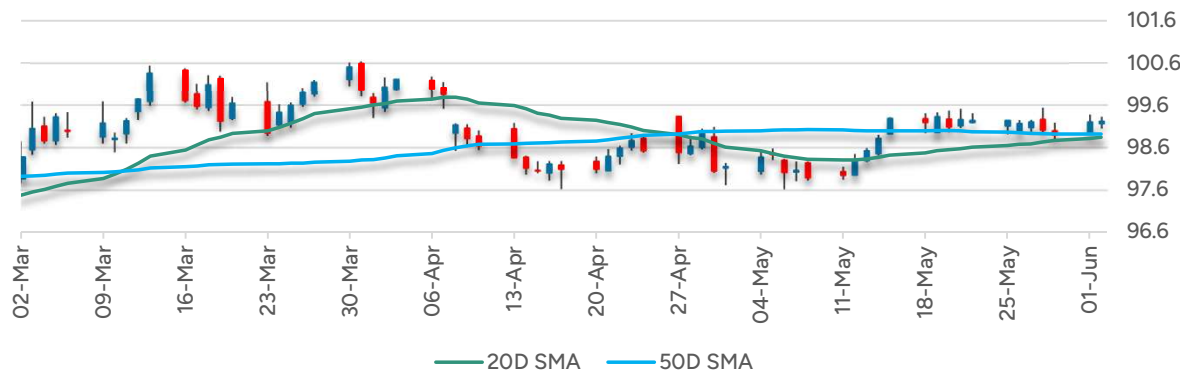
GOLD



10Y US-TREASURY



DOLLAR INDEX



US 10YT YIELD

4.46

1M %chg

1.76%

3M %chg

9.81%

PRECIOUS-Gold holds steady amid Middle East tensions, US economic data in focus

03 Jun 2026 07:49:17 AM

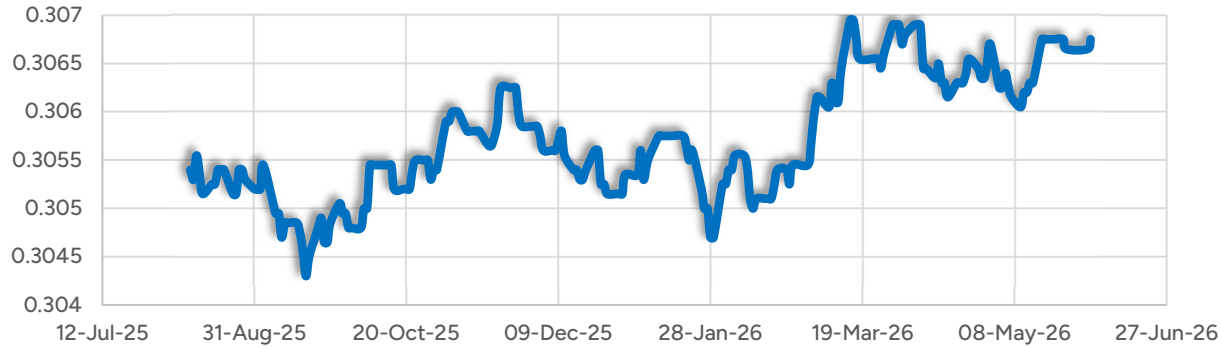
June 3 (Reuters) - Gold prices held steady on Wednesday, as investors watched out for developments in the Middle East amid rising inflation fears and awaited upcoming US economic data. Spot gold XAU= was unchanged at \$4,485.17 per ounce after rising over 1% in the previous session. U.S. gold futures GCcv1 for August delivery slipped 0.1% to \$4,513.60. Oil prices rose more than 1% in early trade on Wednesday, deepening concerns over inflation and interest rate hikes. Although gold is typically viewed as a hedge against inflation, it tends to lose its appeal as a non-yielding asset when in a high interest-rate environment. Investors are now awaiting the U.S. nonfarm payroll data, due later in the day, and employment report due on Friday to gauge the Fed's monetary policy path. Spot silver XAG= fell 0.1% to \$75.01 per ounce, platinum XPT= lost 0.2% to \$1,933.15, while palladium XPD= gained 0.2% to \$1,372.25.

UPCOMING KEY ECONOMIC INDICATOR RELEASES

INDICATOR	Ctry / Regn	Time	For	Prior	Consensus
S&P Global Comp Op Final SA	JP	03/Jun 03:30	May	51.1	
S&P Global SVC PMI Final SA	JP	03/Jun 03:30	May	50	
HCOB - Composite Final PMI	EU	03/Jun 11:00	May	47.5	47.5
HCOB Services Final PMI	EU	03/Jun 11:00	May	46.4	46.4
Reserve Assets Total	GB	03/Jun 11:30	May	226610.17Mn\$	
S&P GLOBAL PMI: COMPOSITE - OUTP	GB	03/Jun 11:30	May	48.5	48.5
S&P GLOBAL PMI: MSC COMPOSITE -	GB	04/Jun 11:30	May	51.5	
Initial Jobless Clm	US	04/Jun 15:30	W 30 May	215k	213k
Nat Gas-EIA Implied Flow	US	04/Jun 17:30	W 29 May	92Bn	
Halifax House Prices MM	GB	05/Jun 09:00	May	-0.10%	0.10%
GDP Revised QQ	EU	05/Jun 12:00	Q1 2026	0.10%	0.10%

Daily Market Report

KWD - CBK FIX



MARKET SUMMARY

INSTRUMENT	OPEN	HIGH	LOW	CLOSE	%CHG 1D
EUR	1.1627	1.1655	1.1613	1.1631	0.01%
GBP	1.3451	1.3481	1.3443	1.3465	0.10%
JPY	159.65	159.98	159.55	159.89	0.15%
TRY	0.0218	0.0218	0.0217	0.0218	0.00%
Dollar Idx	99.166	99.329	99.049	99.219	0.02%
Brent	94.78	96.28	92.83	96	1.07%
WTC	94.55	97.7	94.53	97.47	1.57%
Gold	4485.99	4541.24	4462.1216	4484.585	0.03%
KWSE Index	8787.56	8801.98	8758.95	8764.31	0.04%

KIBOR RATES

Tenor	Value	Tenor	Value
ON	2.38	3M	3.56
SW	3.25	6M	3.75
1M	3.44	1Y	4.00

CENTRAL BANK OF KUWAIT

KWD (CBK FIX) CLOSE

0.30680

3M% CHG

0.26%

POLICY RATES INDICATOR	As of	Value	Prior	Change
ON Repo Rate	11/Dec/'25	3.13	3.38	-0.25
1W Repo Rate	11/Dec/'25	3.38	3.63	-0.25
1M Repo Rate	11/Dec/'25	3.63	3.88	-0.25
KWD ON Rate	11/Dec/'25	10.00	10.00	0.00
Discount Rate	11/Dec/'25	3.50	3.75	-0.25

SOFR RATES

Tenor	Value	Tenor	Value
1M	3.62	6M	3.71
3M	3.66	1Y	3.83

OTHER C-BANK RATES

INDICATOR	As of	Value	Prior	Change
FED Target Rate	10/Dec/'25	3.75	4.00	-0.25
ECB Refinancing Rate	30/Apr/'26	2.15	2.15	0.00
BOE Bank Rate	19/Jun/'25	4.25	4.25	0.00
BOJ Prime Rate	08/May/'26	3.05	3.00	0.05
TRY ON Lending Rate	22/Jan/'26	40.00	41.00	-1.00

KEY INTERNATIONAL STORIES

US job openings jump to near two-year high in April

WASHINGTON, June 2 (Reuters) - U.S. job openings increased more than expected in April, hitting the highest level in nearly two years, though hiring declined likely because of lingering economic uncertainty. Job openings, a measure of labor demand, surged 731,000 to 7.618 million by the last day of April, the highest level since May 2024, the Labor Department's Bureau of Labor Statistics said in its Job Openings and Labor Turnover Survey, or JOLTS report on Tuesday. Economists polled had forecast 6.88 million unfilled jobs. The job openings rate jumped to 4.6% from 4.2% in March.

UK lenders approve 65,945 mortgages in April, Bank of England data shows

LONDON, June 2 (Reuters) - The number of mortgages approved by British lenders for house purchases rose to a 15-month high of 65,945 in April from 63,979 in March, according to Bank of England data on Tuesday that also showed consumer credit grew faster than expected. April's approvals were well above the 62,000 median forecast in a Reuters poll of economists. Net unsecured lending to consumers rose by £1.859 billion (\$2.50 billion), higher than economists' forecast of a £1.7 billion increase.

Euro zone inflation jump reinforces case for June rate hike

FRANKFURT, June 2 (Reuters) - Euro zone inflation accelerated further last month, driven by energy and services, bolstering the already strong case for a small European Central Bank interest rate hike later this month, Eurostat data showed on Tuesday. Consumer prices in the 21 nations sharing the euro accelerated to 3.2% in May from 3.0% a month earlier, well above the ECB's 2% target but in line with a Reuters poll. The increase was driven by a 10.9% rise in energy costs and an unexpectedly large pickup in services inflation to 3.5% from 3.0%.

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Australia lifts minimum wage by 4.75% as inflation reaccelerates

SYDNEY, June 2 (Reuters) - Australia's independent wage-setting body on Tuesday said the country's 2.8 million lower-paid workers will get a 4.75% pay rise from July, a number that some analysts say could further stoke inflationary pressures. The Fair Work Commission said the minimum wage for a week's work will rise to A\$1,004.90 (\$719), or A\$26.44 per hour, from July 1. The increase was higher than last year's 3.5% rise and a 3.75% rise in 2024, but lower than the 5% to 6% increase sought by trade unions. Consumer price inflation was at 4.1% in the first quarter and is expected to peak at 4.8% in the June quarter.

Indonesia April trade surplus smallest in six years, May inflation quickens

JAKARTA, June 2 (Reuters) - Indonesia posted its smallest trade surplus in six years in April, while its annual inflation rate in May moved closer to the top end of the central bank's target range as a result of rising food and transport prices, official data showed on Tuesday. Southeast Asia's largest economy has enjoyed a trade surplus every month since May 2020, but the \$0.09 billion posted in April 2026 was the smallest, with a double-digit increase in exports offset by a similar increase in imports. A Reuters poll had expected a \$1.5 billion surplus.

Oil extends gains as Middle East hostilities flare and talks stall

SINGAPORE, June 3 (Reuters) - Oil prices rose on Wednesday, extending gains from the previous session, as hostilities in the Middle East erupted anew with Iran firing missiles at Kuwait and Bahrain, while diplomatic talks between Iran and the U.S. showed little progress. Brent futures LCOc1 gained 81 cents, or 0.8%, to \$96.81 a barrel while U.S. West Texas Intermediate (WTI) CLc1 crude climbed 91 cents, or 1.0%, to \$94.67. Both benchmarks settled at a one-week high in the previous session. Crude stocks fell by 6.8 million barrels in the week ended May 29, the sources said.