

Daily Market Commentary

Gulf Bank Treasury Sales Desk



CBK USD/KWD

0.30640

0.30650

May 8, 2025

Foreign Exchange Development

The U.S. dollar weakened against most of its major peers on Thursday, giving back some of Wednesday's gains after the Fed warned of rising risks to the economy from higher inflation and unemployment.

The U.S. dollar index, which measures the greenback against six major peers, eased 0.2% to 99.682, erasing about two-thirds of the previous day's advance.

The euro added 0.2% to \$1.1327, reversing course after a 0.56% decline on Wednesday that was its biggest in two weeks.

Sterling climbed 0.4% to \$1.3341, even with the Bank of England widely expected to announce a quarter-point rate cut later in the day.

Oil rose on Thursday after falling more than \$1 in the previous session, supported by hopes of a breakthrough in looming trade talks between the U.S. and China, the world's two largest oil consumers.

Gold climbed on Thursday after the Federal Reserve warned of rising inflation and labor market risks fuelling economic uncertainty, while investors awaited the outcome of the U.S.-China trade talks this weekend.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1309	-0.18	9.71	9.21
GBP/USD	1.3320	-0.11	7.65	6.40
USD/CHF	0.8247	-0.19	-9.52	-9.14
USD/JPY	143.91	0.58	-5.32	-8.24
AUD/USD	0.6440	0.55	2.58	4.04
USD/CAD	1.3848	0.36	-3.27	-3.71
USD INDEX	99.87	0.40	-7.26	-7.95
Gold	Silver	KWT OSP	Brent	
3376.22	32.76	63.84	60.99	

EUR/USD - 1 Month



Economic Updates

The Federal Reserve held interest rates steady on Wednesday but said the risks of higher inflation and unemployment had risen, further clouding the U.S. economic outlook as its policymakers grapple with the impact of President Donald Trump's tariffs.

Bank of Japan policymakers were divided in March over how soon the central bank should raise interest rates again as uncertainty stemming from U.S. tariff policies heightened, minutes of their meeting showed on Thursday.

Trump on Wednesday suggested China initiated upcoming senior-level trade talks between the two countries and said he was not willing to cut U.S. tariffs on Chinese goods to get Beijing to the negotiating table.

Most stock markets in the Gulf closed lower on Wednesday following a string of lacklustre corporate earnings, while focus was also on U.S.-China trade negotiations and the Federal Reserve's policy decision.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	41,113.97	284.97	1.09	-3.36
FTSE 100	8,559.33	-38.09	0.76	4.73
KUWAIT ALL	8,007.15	16.79	0.60	8.76
Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	4.33741	4.29824	4.16952	3.89320
EURIBOR	2.1440	2.1430	2.1450	2.0450
KIBOR	3.7500	4.0000	4.1875	4.3750
Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	3.998	3.772	3.889	4.293
Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	4.125	4.250	4.375
KONIA	2.000			
SOFR	4.320			
Country	KWT	US	EURO	UK
INT. RATES	4.000	4.500	2.50	4.500

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
08May	United Kingdom	BOE Bank Rate	4.50	4.25
08May	United States	Initial Jobless Clm	241K	232K
09May	Canada	Unemployment Rate	6.70	6.80
13May	United Kingdom	Core CPI MM, SA	0.10	0.3
13May	United States	CPI MM, SA	-0.10	0.26
15May	United States	Retail Sales MM	1.40	0.18
15May	United Kingdom	Industrial Production MM	-0.30	0.07

Source: Reuters and Bloomberg

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