

Daily Market Commentary

Gulf Bank Treasury Sales Desk



CBK USD/KWD

0.30725

0.30735

May 14, 2025

Foreign Exchange Development

The dollar retreated, giving back some of its sharp gains a day earlier after an inflation reading came in below market expectations.

The dollar index, which measures the greenback against a basket of currencies, fell 0.67% to 101.05, with the euro up 0.81% at \$1.1177.

Against the Japanese yen, the dollar weakened 0.57% to 147.6, after rallying more than 2% a day before as the risk-on mood dented the appetite for safe-haven assets.

Sterling strengthened 0.95% to \$1.3297 and was on pace for its biggest one-day gain since April 28.

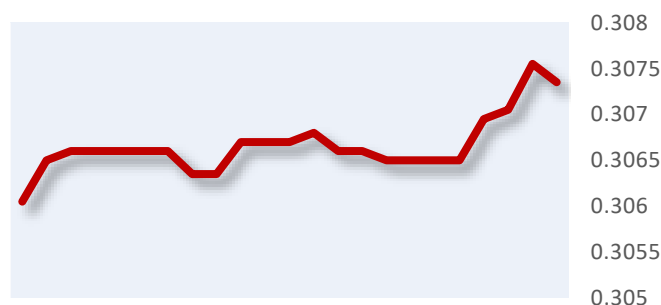
Oil prices retreated as traders eyed a potential jump in U.S. crude inventories, though prices held near two-week highs amid optimism after the United States and China agreed to temporarily lower their reciprocal tariffs.

Gold fell as de-escalation in U.S.-China trade tensions weakened safe-haven demand, while markets eyed another set of inflation data to assess the Federal Reserve's policy path.

Currencies & Commodities

Currency	Price	MTD%	3M%	YTD%
EUR/USD	1.1188	-1.24	6.62	8.05
GBP/USD	1.3308	-0.20	5.68	6.31
USD/CHF	0.8387	1.54	-6.73	-7.56
USD/JPY	146.9	2.67	-3.57	-6.34
AUD/USD	0.6474	1.11	1.94	4.62
USD/CAD	1.3926	0.92	-1.81	-3.16
USD INDEX	100.89	1.43	-6.53	-7.01
Gold	Silver	KWT OSP	Brent	
3225.01	32.63	66.69	66.64	

USD/KWD - 1 Month



Economic Updates

U.S. consumer prices rebounded moderately in April as declining food costs partially offset rising rents, leading to the smallest annual increase in four years, but the inflation outlook remains unclear against the backdrop of tariffs. In the 12 months through April, the CPI climbed 2.3%.

Japan's wholesale inflation hit 4.0% in April as companies continued to pass on rising raw material and labour costs, underscoring price pressure that will likely keep the central bank on course to raise interest rates further.

A number of U.S. technology firms announced artificial intelligence deals in the Middle East as Trump secured \$600 billion in commitments from Saudi Arabia to U.S. companies during a tour of Gulf states.

The United States agreed to sell Saudi Arabia an arms package worth nearly \$142 billion, that called it "the largest defense cooperation agreement" Washington has ever done.

Global Markets

Index	Price	Change	MTD%	YTD%
DOWJONES	42,140.43	-269.67	3.62	-0.95
FTSE 100	8,602.92	-2.06	1.27	5.26
KUWAIT ALL	8,083.00	18.24	1.55	9.79
Benchmark	1 Month	3 Month	6 Month	12 Month
TERM SOFR	4.32871	4.32633	4.25189	4.05369
EURIBOR	2.1230	2.1390	2.1210	2.0670
KIBOR	3.6875	3.9375	4.1875	4.3750
Benchmark	1 Year	3 Year	5 Year	10 Year
US TRSY	4.097	3.984	4.093	4.465
Benchmark	ON	3 Month	6 Month	12 Month
CBK BOND	-	4.125	4.250	4.375
KONIA	1.970			
SOFR	4.280			
Country	KWT	US	EURO	UK
INT. RATES	4.000	4.500	2.50	4.250

Upcoming Indicators / Events

Date	Country	Indicator Name	Prior	Forecast
15May	United Kingdom	GDP Estimate YY	1.40	0.99
15May	United States	Philly Fed Business Indx	-26.4	-14.5
15May	United States	Retail Sales MM	1.40	0.18
15May	United Kingdom	Industrial Production MM	-0.30	0.07
16May	United States	U Mich Sentiment Prelim	52.20	53.40
16May	United States	Housing Starts Number	1.32	1.37
19May	Euro Zone	HICP Final YY	2.20	2.20

Source: Reuters and Bloomberg

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