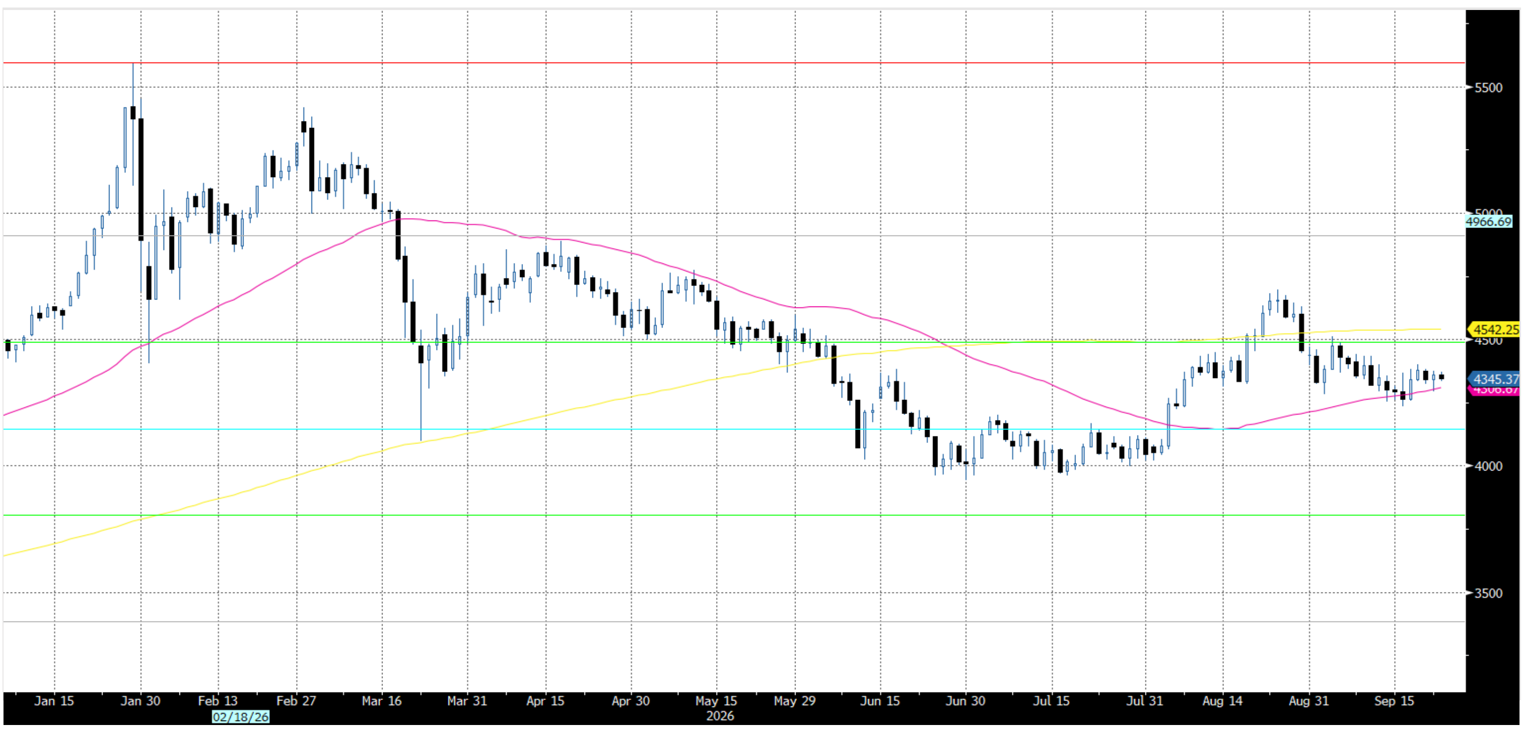
Bank Dhofar Morning Market Update

Date: 23/09/26

Global Update

Asia-Pacific government bonds advanced alongside US Treasury futures as easing oil prices reduced inflation concerns after the US signalled progress in diplomatic efforts to end the Iran conflict. Australian and New Zealand 10-year bond yields fell by at least 3bps, while Brent crude declined 1.1% to around $98.20 per barrel, marking its sixth consecutive daily loss and its longest losing streak in a year. Equity markets traded mixed, with the MSCI Asia Pacific Index edging 0.1% higher after earlier gains, supported by strength in semiconductor stocks, although weakness in Hong Kong technology shares, including Alibaba, limited broader advances. Investors remain focused on developments in the Middle East and the prospect of lower energy prices, while attention is also shifting to upcoming US-China discussions on trade and tariffs.The US dollar extended its gains for a fourth straight session as markets awaited comments from Federal Reserve Governor Michael Barr for further clues on the interest rate outlook amid persistent inflation concerns. Gold slipped 0.4% to around $4,345 per ounce, while Bitcoin held steady near $86,600. In equities, optimism surrounding artificial intelligence continued to support sentiment after the Nasdaq 100 reached a record high, driven by gains in US chipmakers and enthusiasm over Meta's AI initiatives. However, South Korean technology stocks pared early gains, and Hong Kong technology shares underperformed, highlighting a cautious tone across regional markets.

Gold remains under pressure after failing to build on its rebound from below the $4,300 level, as a stronger US dollar and the Federal Reserve's hawkish stance continue to weigh on the non-yielding metal. Technically, gold remains capped below the 100-period EMA at $4,369, with momentum indicators signalling a cautious bearish bias. Immediate support is seen at $4,314, followed by $4,225 and $4,097, while resistance is located at $4,369 and $4,404. A sustained break above these levels would be needed to improve the near-term outlook and pave the way towards $4,515 and the record high area near $4,694.



Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1449	1.1450	1.1426
GBPUSD	1.3346	1.3348	1.3316
USDJPY	157.39	157.6800	157.34
USDINR	95.57	95.65	95.57
USDCNY	6.7008	6.7054	6.6993

Rates

	Last Price	Previous Day Close
O/N SOFR	3.850	#N/A N/A
1 month SOFR	3.897	3.897
3 month SOFR	4.035	4.035
6 months SOFR	4.208	4.208
12 month SOFR	4.496	4.496

USDCHF	0.8205	0.8218	0.8202
AUDUSD	0.7115	0.7121	0.7098
NZDUSD	0.5728	0.5732	0.5700

The US dollar remained firm against major currencies, with the euro falling 0.2% to 1.1428, the Japanese yen weakening 0.2% to 157.66 per dollar, and the offshore yuan holding steady at 6.7052. Sterling traded at 1.3350 against the dollar, while the Australian dollar hovered around 0.6480, as investors continued to favour the greenback amid expectations that US interest rates may remain elevated.

3 years IRS	4.595	4.620
5 years IRS	4.575	4.572

US Treasury yields remained elevated, with the benchmark 10-year yield rising 0.2bps to 4.95%, while the 5s30s curve steepened by 1.0bp to 46.5bps, reflecting expectations for higher rates in the near term and a relatively more favourable long-term growth outlook. In contrast, Australia's 10-year government bond yield fell 7bps to 5.23%, supported by lower oil prices and easing inflation concerns, which boosted demand for sovereign bonds across the Asia-Pacific region.

	Current Levels
CBO Repo Rate	4.25
O/N OMIBOR	4
***Bank Deposit Rates for 1 years**	4.45
Bank Deposit Rates for 5 years	4.45

*Amount>500k OMR

Global Markets

	Level	**1-Day Change (%)**	**YTD (%)**
S&P 500	7765	-0.001	13.43
Euro Stoxx 600	643	0.132	8.54
ShanghaiComposite Index	3938	-0.356	-0.78
MSX-30	7560	0.131	28.87
NIFTY-50	23371	0.181	-10.56
Brent Crude ($/bbl)	98.19	-1.068	63.13
Gold ($/oz.)	4344	-0.382	0.57
DXY	101	0.090	2.41
Silver($/oz.)	67	-0.585	-6.94

Calendar

Key Data Watch	**Time (GST)**	**Expected**	**Prior**
MBA Mortgage Applications	15:00		-4.1%
S&P Global US Manufacturing PMI	17:45	53.7	53.9

For any Treasury related requirement, please contact:
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