Bank Dhofar Morning Market Update

Date: 23/07/26

Global Update

Asian equities moved higher, led by technology and semiconductor stocks, as investors continued to position for increased spending on artificial intelligence infrastructure. South Korean chipmakers outperformed, with Samsung Electronics and SK Hynix gaining strongly on expectations they will benefit from the next phase of AI-related investment, helping lift the broader Asia-Pacific equity benchmark.However, sentiment toward US technology remained mixed. Nasdaq futures slipped after Alphabet announced significantly higher capital expenditure plans, raising concerns about the scale of AI-related spending despite continued demand growth. Tesla and IBM also traded lower following their earnings releases. Investors are now closely monitoring upcoming results from Intel, Microsoft, Meta and Amazon for further evidence that the substantial investments being made in AI are translating into earnings growth and commercial returns.In commodities, oil extended its rally to near $96.50 per barrel after reports that Iran-backed Houthi militants targeted Saudi tankers in the Red Sea, intensifying concerns over potential supply disruptions and geopolitical risks in key energy shipping routes. The move higher in oil prices weighed on fixed income markets, with Treasury yields remaining elevated amid fears that renewed energy-driven inflation could complicate the outlook for global central banks.The US dollar softened modestly, while investors continued to monitor escalating tensions between the US and Iran. With the Federal Reserve meeting next week and the European Central Bank due to announce its policy decision later today, markets remain focused on the implications of higher energy prices, persistent inflation pressures and the evolving interest rate outlook.
Brent remains supported fundamentally by escalating geopolitical tensions in the Middle East, particularly threats to Red Sea and Gulf shipping routes, which have reignited supply disruption concerns and pushed prices to their highest levels since early June. At the same time, resilient global demand and continued AI-driven energy consumption expectations are offsetting worries about slowing economic growth. However, elevated oil prices risk keeping inflation higher for longer, which could strengthen expectations for tighter monetary policy and eventually weigh on demand. Technically, Brent has broken above key resistance levels and the short-term trend remains bullish, with momentum indicators favouring further upside toward the $98–100/bbl region. Initial support is now seen around $93–94/bbl, and while the market appears overextended in the near term, any pullback toward support zones is likely to attract fresh buying interest unless geopolitical risks ease materially.

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1412	1.1436	1.1406
GBPUSD	1.3375	1.3393	1.3368
USDJPY	163.15	163.1500	163.00
USDINR	96.50	96.55	96.45
USDCNY	6.7702	6.7704	6.7678
USDCHF	0.8144	0.8147	0.8130

Rates

	Last Price	Previous Day Close
O/N SOFR	3.610	3.610
1 month SOFR	3.676	3.676
3 month SOFR	3.752	3.752
6 months SOFR	3.880	3.880
12 month SOFR	4.039	4.039
3 years IRS	4.134	4.129

AUDUSD	0.6997	0.7021	0.6987
NZDUSD	0.5818	0.5822	0.5809

AUD/USD rises to hold above 0.70 as EUR/USD gains to remain above 1.14. GBP/USD advances toward 1.34 while USD/JPY consolidates above 163.

5 years IRS	4.125	4.117

US 2-year yields are steady at 4.30% while 10-year yields are little changed at 4.66%.Japan's 10-year yield advanced three basis points to 2.765%.Australia's 10-year yield advanced three basis points to 5.01%.

	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	4.00

*Amount>500k OMR

Global Markets

	Level	**1-Day Change (%)**	**YTD (%)**
S&P 500	7499	-0.136	9.55
Euro Stoxx 600	647	0.581	9.24
ShanghaiComposite Index	3860	-0.190	-2.75
MSX-30	7111	0.284	21.21
NIFTY-50	23917	-0.331	-8.47
Brent Crude ($/bbl)	96.17	2.243	59.85
Gold ($/oz.)	4128	-0.050	-4.43
DXY	101	-0.173	2.67
Silver($/oz.)	60	0.214	-16.44

Calendar

Key Data Watch	**Time (GST)**	**Expected**	**Prior**
Initial Jobless Claims	16:30	210k	208k
Continuing Claims	1809k		1805k

For any Treasury related requirement, please contact:
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