

Bank Dhofar Morning Market Update



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Global Update

Global equity markets continued their upward momentum, led by a technology-driven rally on Wall Street that pushed the Nasdaq 100 to a record close. Strong gains in mega-cap technology stocks, particularly Nvidia and Microsoft, helped lift the S&P 500 to within 0.5% of its all-time high. Optimism extended into Asia, with MSCI's Asia Pacific Index advancing modestly and remaining close to record levels, while the MSCI All Country World Index also traded near its recent peak. Positive sentiment remained firmly intact, with US and European equity futures signalling further gains. Despite the strength in equities, US Treasury yields continued to rise, with the benchmark 10-year yield climbing to 5.32%, its highest level since 2002, while the two-year yield edged higher to 4.83%. Concerns over the bond market were highlighted by Ray Dalio, who cautioned that reduced demand from major holders such as China and Japan could pressure US Treasuries. Nevertheless, investors have largely looked beyond recent Federal Reserve rate hikes, elevated energy prices and persistent inflation concerns, choosing instead to focus on robust corporate earnings, resilient consumer spending and accelerating investment linked to artificial intelligence. Market participants also appear to be favouring high-quality companies with strong balance sheets, reliable earnings and limited sensitivity to economic cycles, suggesting that the current rally reflects not only risk appetite but also a defensive tilt towards quality amid higher interest rates.

Gold traded near \$4,140 in early Asian trade, with support from reduced expectations of a Fed rate hike offsetting pressure from a stronger US dollar and higher Treasury yields. Technically, the metal remains under bearish pressure as it continues to trade below the 100-day moving average and Bollinger Band midpoint, while the RSI remains weak at 38.41. Immediate resistance is seen at \$4,270-\$4,275, whereas \$4,100 serves as key support, with a break below this level potentially triggering a deeper corrective move.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1223	1.1231	1.1212	O/N SOFR	3.880	#N/A N/A
GBPUSD	1.3222	1.3232	1.3212	1 month SOFR	3.912	3.912
USDJPY	157.91	158.1700	157.77	3 month SOFR	4.031	4.031
USDINR	96.32	96.43	96.32	6 months SOFR	4.191	4.191
USDCNY	6.7051	6.7061	6.7031	12 month SOFR	4.483	4.483
USDCHF	0.8305	0.8318	0.8303	3 years IRS	4.741	4.734
AUDUSD	0.6971	0.6977	0.6963	5 years IRS	4.780	4.775

Internal

NZDUSD	0.5601	0.5611	0.5593
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The euro was little changed at \$1.1221, while the Japanese yen traded steady at 157.99 per dollar and the offshore yuan held near 6.7025 per dollar. The British pound remained broadly stable against the US dollar, while the Australian dollar also traded in a narrow range as investors awaited further clues on global growth and central bank policy, with currency markets generally showing limited movement amid a firm US dollar and elevated Treasury yields.

Global bond yields continued to rise, with the US 10-year Treasury yield increasing by one basis point to 5.32%, remaining near its highest level in over two decades. In Asia-Pacific markets, Japan's 10-year government bond yield edged up one basis point to 3.095%, while Australia's 10-year yield climbed six basis points to 5.40%, reflecting persistent expectations of higher interest rates and elevated inflationary pressures across major economies.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	7774	0.663	13.56
*Bank Deposit Rates for 1 years			4.45	Euro Stoxx 600	634	0.359	7.00
				ShanghaiComposite Index	3842	0.307	-3.19
Bank Deposit Rates for 5 years			4.45	MSX-30	7730	0.677	31.76
*Amount>500k OMR				NIFTY-50	22632	0.336	-13.39
				Brent Crude (\$/bbl)	100.54	0.219	66.95
				Gold (\$/oz.)	4125	-0.341	-4.49
						0.002	
				DXY	102		3.91
				Silver(\$/oz.)	61	-0.762	-15.43
Calendar							
Key Data Watch	Time (GST)	Expected	Prior				
ADP Weekly Employment Change	16:15						
Trade Balance	16:30	-\$102.1b	-\$88.6b				

For any Treasury related requirement, please contact:

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