Bank Dhofar Morning Market Update

Date: 09/09/26

Global Update

Asian equities advanced, led by semiconductor stocks, as continued enthusiasm around AI drove strong gains in major chipmakers including Samsung Electronics and SK Hynix. South Korea's Kospi rose 1.5%, supported by a positive lead from the US semiconductor sector, while the MSCI Asia Pacific Index gained 0.6%. Meanwhile, escalating tensions between the US and Iran pushed Brent crude close to the $100/barrel mark, with concerns growing over potential disruptions in the Strait of Hormuz. Higher oil prices have renewed inflation worries ahead of Friday's US CPI report, a key release for Federal Reserve rate expectations. In FX markets, the Japanese yen strengthened for a third straight session after comments from US Treasury Secretary Scott Bessent supporting a stronger Japanese currency, while the US dollar edged lower. US Treasury yields moved slightly higher, with the 10-year yield reaching 4.80%. Investors remain focused on upcoming US inflation data, where headline CPI is expected to accelerate due to energy costs, while core inflation is projected to continue moderating.
Gold is attempting a modest recovery after three consecutive sessions of losses, rebounding from one-week lows near $4,350 as the US Dollar remains under pressure from renewed strength in the Japanese Yen. However, gains remain limited as investors remain cautious amid escalating geopolitical tensions in the Middle East.From a technical perspective, gold is holding above a key support zone between $4,340 and $4,350, where the 200-period SMA on the 4-hour chart converges with the 50% Fibonacci retracement of the July-August rally. Momentum indicators remain mixed, with the RSI near neutral levels and the MACD still in negative territory, suggesting the current bounce is more of a stabilisation move than the start of a strong uptrend.On the upside, immediate resistance is seen at $4,427, followed by $4,529 if bullish momentum strengthens. On the downside, a break below $4,340 could trigger deeper losses toward $4,262 and potentially $4,144. Overall, gold remains range-bound, with traders closely monitoring Middle East developments and upcoming US inflation data for fresh directional cues.

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1624	1.1632	1.1624
GBPUSD	1.3541	1.3549	1.3535
USDJPY	153.98	154.0100	153.25
USDINR	94.88	94.99	94.86

Rates

	Last Price	Previous Day Close
O/N SOFR	3.650	#N/A N/A
1 month SOFR	3.742	3.742
3 month SOFR	3.813	3.813
6 months SOFR	3.942	3.942

USDCNY	6.7074	6.7096	6.7074
USDCHF	0.8094	0.8096	0.8087
AUDUSD	0.7217	0.7227	0.7215
NZDUSD	0.5852	0.5863	0.5848

USD/JPY remains under pressure and is drifting toward the mid-153 to 154 region as renewed demand for the Japanese Yen and cautious risk sentiment weigh on the pair. Meanwhile, AUD/USD continues to edge higher and holds comfortably above 0.7200, supported by resilient commodity prices and ongoing optimism surrounding the global AI-driven technology rally. In Europe, EUR/USD is consolidating below the 1.1650-1.1700 area after recent gains, while GBP/USD remains steady around the 1.3550-1.3600 range, supported by broad US Dollar softness.

12 month SOFR	4.124	4.124
3 years IRS	4.283	4.275
5 years IRS	4.297	4.290

Government bond yields were broadly stable to slightly higher, with US 2-year Treasury yields rising 1bp to 4.40% and 10-year yields gaining 1bp to 4.80% after Tuesday's session saw the 2-year yield climb 3bps and the 10-year add 1bp. In Asia, Japan's 10-year government bond yield held steady at 2.88%, while Australia's 10-year yield increased 3bps to 5.22%. The modest rise in global yields reflects investor caution ahead of Friday's US CPI release and ongoing concerns that elevated energy prices, driven by escalating Middle East tensions, could keep inflation pressures persistent and reinforce expectations for tighter monetary policy.

	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

Calendar

Key Data Watch	Time (GST)	Expected	Prior
MBA Mortgage Applications	15:00		0.8%
ADP Weekly Employment Change	16:15		11.750k

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7674	-0.584	12.10
Euro Stoxx 600	650	-0.046	9.69
ShanghaiComposite Index	3950	0.237	-0.48
MSX-30	7613	0.100	29.77
NIFTY-50	23515	-0.509	-10.01
Brent Crude ($/bbl)	99.34	1.450	65.04
Gold ($/oz.)	4374	0.407	1.26
DXY	99	-0.035	0.44
Silver($/oz.)	66	0.577	-7.73

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