Bank Dhofar Morning Market Update

Date: 18/11/26

Global Update

Global markets traded mixed following Nvidia's stronger-than-expected earnings and upbeat revenue outlook. Nvidia projected 75% revenue growth next fiscal year and forecast fourth-quarter sales of $130 billion, lifting its shares in after-hours trading. However, the positive results failed to fully revive sentiment toward the broader AI sector, as investors remain concerned about the sustainability of massive AI-related capital expenditure and future returns. Nasdaq futures advanced, but gains were pared as caution persisted across technology stocks, while Asian equities ended mostly lower amid ongoing risk aversion.

USD/JPY advanced toward 159.55 during early Asian trading, supported by a stronger US dollar as markets continued to price in a hawkish Federal Reserve stance ahead of the release of the Fed's October meeting minutes. Expectations of further US rate hikes have helped maintain upward pressure on the pair, while the yield differential between the US and Japan continues to favor the dollar.

From a technical perspective, the pair retains a bullish bias on the daily chart, trading above both the 100-day Simple Moving Average (158.90) and the Bollinger Band midline (158.40). Momentum indicators also remain constructive, with the RSI at 59.13, suggesting bullish momentum is intact without reaching overbought conditions.On the upside, immediate resistance is seen at 160.30, corresponding to the upper Bollinger Band. A sustained break and daily close above this level could pave the way for further gains toward the 161.00 area. On the downside, initial support lies at 158.90, followed by 158.40. A move below these levels could trigger a deeper correction toward 156.50, the lower Bollinger Band, though the broader uptrend would remain intact unless this support is decisively breached.Overall, the near-term outlook remains positive for USD/JPY, supported by resilient US yields, a firm dollar, and continued expectations of tighter Federal Reserve policy.



Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.0998	1.1000	1.0980
GBPUSD	1.3209	1.3213	1.3193
USDJPY	159.38	159.6500	159.26

Rates

	Last Price	Previous Day Close
O/N SOFR	3.930	#N/A N/A
1 month SOFR	3.976	3.976
3 month SOFR	4.176	4.176

Internal

USDINR	93.42	93.42	93.25
USDCNY	6.6684	6.6695	6.6662
USDCHF	0.8406	0.8419	0.8398
AUDUSD	0.6736	0.6742	0.6721
NZDUSD	0.5494	0.5506	0.5490

The US dollar remained firm, with the Bloomberg Dollar Spot Index extending its recent upward trend and heading for a sixth gain in seven sessions. EUR/USD held relatively stable around 1.0992, USD/JPY traded near 159.35, and the offshore Chinese yuan remained anchored around 6.67 per dollar. Continued expectations of tighter US monetary policy supported the greenback, while market participants remained cautious ahead of the upcoming Anthropic IPO and further developments in the AI sector, which could influence overall risk sentiment and currency flows.

6 months SOFR	4.362	4.362
12 month SOFR	4.626	4.626
3 years IRS	4.629	4.648
5 years IRS	4.607	4.628

Treasuries rallied as investors sought safety amid weakness in equities, pushing the US 10-year Treasury yield down to around 5.08%-5.09%. Expectations for further Federal Reserve tightening strengthened after several Fed officials emphasized the need for additional rate hikes to combat persistent inflation. Markets are now fully pricing in a 25-basis-point Fed rate increase at the December meeting and expect more than 80 basis points of cumulative tightening by September 2027. The higher-for-longer rate outlook increased demand for the US dollar while weighing on non-yielding assets such as gold.

	Current Levels
CBO Repo Rate	4.5
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	16:00		
Housing Starts	17:30	1250k	1221k

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7341	-1.026	7.23
Euro Stoxx 600	651	-1.750	9.88
ShanghaiComposite Index	3570	-0.401	-10.04
MSX-30	7356	-0.158	25.39
NIFTY-50	25257	-0.514	-3.34
Brent Crude ($/bbl)	92.62	-0.537	53.81
Gold ($/oz.)	3785	-1.674	-12.37
DXY	104	0.167	5.43
Silver($/oz.)	46	-3.167	-35.95

For any Treasury related requirement, please contact:
Telephone: +968 2265 2721/2722/2731/2716

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