

Bank Dhofar Morning Market Update



Date: 20/10/26

Global Update

Technology stocks came under renewed pressure as investor confidence in the AI-driven rally remained fragile ahead of key earnings reports that are expected to test the sustainability of gains in semiconductor shares. Asian markets weakened, led by South Korea’s Kospi Index, which fell 3.5%, while chipmaker SK Hynix headed for its lowest close since April. MSCI’s Asia Pacific Index declined 1%, contrasting with the previous session’s technology-led gains on Wall Street. Futures on the S&P 500 recovered modestly, rising 0.2%, while European shares were set to open 0.5% lower. Adding to concerns around the AI sector, data-centre infrastructure firm Elice Inc. slumped as much as 33% on its Seoul trading debut. In commodities, gold remained broadly steady around \$4,145 per ounce, while Brent crude held near a five-month high at \$109.80 per barrel as markets balanced the risk of further Iranian attacks in the Strait of Hormuz against continued strong crude flows from the Gulf. The US dollar weakened against all G10 currencies, with the euro drawing particular attention amid rising geopolitical and social tensions in France, where violent cost-of-living protests have increased pressure on the government despite limited fiscal room to support additional spending due to a large budget deficit and rising debt burden.

GBP/USD edged higher to around 1.3310 during Tuesday’s Asian session, recovering from modest losses in the previous session as the US Dollar weakened on growing expectations that the Federal Reserve will keep interest rates unchanged. From a technical perspective, the pair maintains a mildly bearish near-term bias, trading below the 50-day EMA at 1.3349 while remaining above the nine-day EMA at 1.3277. The 14-day RSI stands at 51.26, reflecting neutral momentum and suggesting a period of consolidation rather than a strong directional move. A sustained break and daily close above the 50-day EMA would help ease downside pressure and support a broader recovery, while a move below the nine-day EMA could attract renewed selling interest and extend the recent corrective decline. Overall, GBP/USD remains range-bound, with traders awaiting fresh catalysts to determine its next directional move.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1213	1.1235	1.1210	O/N SOFR	3.880	#N/A N/A
GBPUSD	1.3305	1.3335	1.3301	1 month SOFR	3.951	3.951
USDJPY	158.50	158.6000	158.15	3 month SOFR	4.084	4.084
USDINR	94.87	94.97	94.76	6 months SOFR	4.240	4.240
USDCNY	6.6822	6.6822	6.6789	12 month SOFR	4.496	4.496
USDCHF	0.8268	0.8270	0.8245	3 years IRS	4.643	4.658

AUDUSD	0.6980	0.6990	0.6971	5 years IRS	4.643	4.661
NZDUSD	0.5663	0.5678	0.5661	Bond markets were mixed, with the yield on the US 10-year Treasury easing by one basis point to 5.13%, reflecting modest demand for safe-haven assets. In contrast, sovereign yields in Asia moved higher, with Japan's 10-year government bond yield rising 1.5 basis points to 2.92% and Australia's 10-year yield advancing four basis points to 5.26%, indicating ongoing pressure from expectations of tighter monetary conditions and higher global borrowing costs.		
The euro rose 0.1% to \$1.1229. The British pound rose 0.1% to \$1.3310 as expectations of a Fed rate pause weighed on the US dollar. The Japanese yen rose 0.1% to ¥158.29 per dollar. The Australian dollar was broadly firmer at around \$0.6540 per US dollar amid the softer dollar backdrop.The offshore yuan was little changed at 6.6785 per dollar.						

		Global Markets			
Current Levels			Level	1-Day Change (%)	YTD (%)
CBO Repo Rate	4.5				
O/N OMIBOR	4	S&P 500	7691	0.408	12.35
*Bank Deposit Rates for 1 years	4.45	Euro Stoxx 600	640	-0.803	8.00
		ShanghaiComposite Index	3711	-0.535	-6.50
Bank Deposit Rates for 5 years	4.45	MSX-30	7635	-0.278	30.14
*Amount>500k OMR		NIFTY-50	22889	-1.111	-12.40

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
ADP Weekly Employment Change	16:15		24.75k
Philadelphia Fed Non-Manufacturing Activity	16:30		-22.0

For any Treasury related requirement, please contact:
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