

Bank Dhofar Morning Market Update



Date: 29/09/26

Global Update

Global risk sentiment remained under pressure as rising oil prices and expectations of further Federal Reserve tightening pushed Treasury yields to fresh multi-year highs. Global equities weakened, with MSCI's All Country World Index falling to a one-week low, while Nasdaq 100 futures slipped 0.3% following a technology-led decline on Wall Street. Bond markets stabilised in Asia after a sharp US selloff, although the benchmark US 10-year Treasury yield remained elevated at 5.25%, its highest level since 2007, while the 30-year yield rose to 5.56%, reflecting persistent concerns over inflation, strong economic activity and growing government debt burdens. Oil continued to be a key market driver, with Brent crude gaining 1.5% to USD 106.87 per barrel as hopes for a near-term diplomatic breakthrough in the Middle East faded. Higher energy prices have reinforced inflation concerns, fueling expectations that the Federal Reserve may need to maintain restrictive monetary policy for longer. The resulting rise in borrowing costs is beginning to weigh on investor sentiment as markets assess the potential impact on economic growth and corporate earnings. In precious metals, gold rebounded 0.4% to USD 4,138 per ounce after suffering a sharp decline in the previous session, while the US dollar edged higher against most major currencies. Chinese equities were largely unchanged after authorities pledged to study additional measures aimed at supporting the property sector, employment and domestic demand, helping to stabilise sentiment amid ongoing economic challenges. Investors are now focused on a busy US data calendar, including consumer confidence and JOLTS job openings data, followed by inflation and consumer spending figures later in the week and the closely watched non-farm payrolls report on Friday. These releases will be critical in determining whether the US economy remains resilient enough to support further Federal Reserve rate increases.

The GBP/USD pair weakened towards 1.3250 during the Asian session as elevated US Treasury yields and a stronger US dollar continued to weigh on sterling. The US 10-year Treasury yield remains above 5%, supporting demand for the dollar and reinforcing the bearish bias in the pair. From a technical perspective, GBP/USD remains under pressure, trading below both the 100-day Simple Moving Average (SMA) and the Bollinger Band midline, signalling a negative near-term outlook. The Relative Strength Index (RSI) is hovering around 30, just above oversold territory, suggesting that while downside momentum remains intact, the recent decline may be becoming stretched and vulnerable to a corrective rebound. On the downside, immediate support is located at 1.3175, corresponding to the lower Bollinger Band. A decisive break below this level could accelerate losses towards the mid-1.31s. On the upside, initial resistance is seen in the 1.3410–1.3415 region, where the 100-day SMA and Bollinger Band midline converge. A sustained move above this area would be required to ease bearish pressure and could pave the way for a recovery towards the upper Bollinger Band near 1.3645. Markets will also monitor comments from Federal Reserve officials later today for additional clues on the interest rate outlook and the direction of the US dollar.



Source: Reuters, Bloomberg

Currencies

Rates

Internal

	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1371	1.1374	1.1360	O/N SOFR	3.900	#N/A N/A
GBPUSD	1.3254	1.3260	1.3239	1 month SOFR	3.898	3.898
USDJPY	157.39	157.5800	157.21	3 month SOFR	4.075	4.075
USDINR	96.05	96.15	96.05	6 months SOFR	4.259	4.259
USDCNY	6.7085	6.7088	6.7052	12 month SOFR	4.570	4.570
USDCHF	0.8321	0.8330	0.8315	3 years IRS	4.832	4.810
AUDUSD	0.7018	0.7025	0.7008	5 years IRS	4.822	4.799
NZDUSD	0.5667	0.5677	0.5656	In fixed income markets, US Treasury yields were broadly steady, with the benchmark 10-year Treasury yield holding at 5.24%, remaining near multi-year highs as investors assessed the outlook for inflation and interest rates. Meanwhile, Japan's 10-year government bond yield was unchanged at 3.085%, while Australia's 10-year government bond yield eased one basis point to 5.40%, reflecting a modest improvement in demand for government bonds across the region.		

Euro was little changed at \$1.1364, while the British pound hovered near \$1.3250 amid continued support for the US dollar from elevated Treasury yields. The Japanese yen remained stable at 157.30 per dollar, the Australian dollar traded cautiously amid softer risk sentiment, and the offshore yuan was little changed at 6.7068 per dollar as investors monitored China's policy support measures and the broader global economic outlook.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	7684	-0.771	12.24
*Bank Deposit Rates for 1 years			4.45	Euro Stoxx 600	639	0.005	7.85
				ShanghaiComposite Index	3827	0.076	-3.59
Bank Deposit Rates for 5 years			4.45	MSX-30	7590	0.619	29.38
*Amount>500k OMR				NIFTY-50	22616	-0.723	-13.45
Calendar				Brent Crude (\$/bbl)	107.12	1.795	78.05
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4129	0.334	-4.40
FHFA House Price Index MoM	17:00	0.1%	0.0%	DXY	101	0.075	3.00
S&P Cotality CS 20-City MoM SA	17:00	0.2%	0.24%	Silver(\$/oz.)	61	-0.144	-15.50

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