

Bank Dhofar Morning Market Update



Date: 18/08/26

Global Update

Global markets turned risk-off as rising concerns over US fiscal finances pushed Treasury yields higher, with the 30-year Treasury yield reaching 5.32%, its highest level since 2007. Asian bonds declined alongside Treasuries, while Japan's 10-year yield extended gains after touching multi-decade highs. Equities weakened across the region, with the MSCI Asia Pacific Index falling 0.7%, South Korea's Kospi reversing early gains to close lower, and US equity futures pointing to a softer Wall Street open. Oil prices rose as geopolitical tensions in the Middle East resurfaced after President Trump indicated he was not interested in extending the expiring US-Iran memorandum of understanding. Brent crude climbed 0.6% to USD 91.40/bbl, reviving inflation concerns and supporting higher energy prices. Gasoline futures remain nearly 60% above pre-conflict levels despite easing from recent highs. In fixed income, China's 10-year bond futures hit a record high following weaker-than-expected economic data, highlighting concerns over slowing growth. Meanwhile, foreign holdings of US Treasuries declined in June, led by reduced positions from Japan and China. The US 10-year Treasury yield rose to 4.73%, while the dollar remained near its weakest level since May. Gold eased 0.4% to around USD 4,400/oz as investors weighed higher yields against ongoing geopolitical risks. Benchmark Brent crude prices rose for a third day to above \$91 a barrel as President Donald Trump said he's not interested in extending an expiring agreement with Tehran. While Iran is negotiating with Oman on how the waterway should be managed, Washington is not part of those talks. Trump has threatened to bomb Oman if it got in the way of a US blockade, Fox News reported.

AUD/USD extended gains for a third consecutive session to around 0.7110, supported by broad US dollar weakness as expectations for further Fed rate hikes continue to fade. The pair maintains a bullish bias while holding above key support at 0.7105, with additional supports at 0.7087 and 0.7058. On the upside, immediate resistance is seen at 0.7111, and a sustained break above this level could signal further upside. The RSI at 65 points to firm bullish momentum without entering overbought territory, keeping the near-term outlook constructive.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1580	1.1586	1.1570	O/N SOFR	3.620	3.620
GBPUSD	1.3544	1.3554	1.3531	1 month SOFR	3.639	3.639
USDJPY	159.46	159.7500	159.30	3 month SOFR	3.728	3.728
USDINR	95.67	95.69	95.64	6 months SOFR	3.832	3.832
USDCNY	6.7434	6.7441	6.7422	12 month SOFR	3.970	3.970
USDCHF	0.8108	0.8119	0.8100	3 years IRS	4.069	4.053
AUDUSD	0.7105	0.7114	0.7100	5 years IRS	4.117	4.101
NZDUSD	0.5902	0.5909	0.5879	Global bond markets remained under pressure as investors continued to reassess sovereign debt risks and persistent inflation concerns. The US 10-year Treasury yield rose 1 basis point to 4.73%, extending recent gains amid concerns over rising		

In currency markets, the euro was little changed at 1.1572 against the US dollar while sterling traded near 1.3536, supported by broad dollar weakness.

Internal

dollar, while sterling traded near 1.3536, supported by broad dollar weakness. The Australian dollar held firm around 0.7104, benefiting from resilient risk sentiment despite the broader market selloff. Meanwhile, the Japanese yen was little changed at 159.56 per dollar and the offshore yuan remained steady at 6.7453 per dollar.

government borrowing requirements and declining foreign demand for Treasuries. In Asia, Japan's 10-year government bond yield increased 2 basis points to 2.94%, building on gains after reaching multi-decade highs, while Australia's 10-year yield advanced 4 basis points to 5.08% as higher oil prices and rising global yields weighed on sentiment.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	7745	-0.523	13.14
*Bank Deposit Rates for 1 years			4.45	Euro Stoxx 600	656	-0.220	10.84
				ShanghaiComposite Index	3967	-0.393	-0.05
Bank Deposit Rates for 5 years			4.00	MSX-30	7541	0.078	28.53
*Amount>500k OMR				NIFTY-50	24226	-0.255	-7.29
Calendar				Brent Crude (\$/bbl)	91.47	0.704	52.09
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4394	-0.507	1.72
ADP Weekly Employment Change	16:15		8.25k	DXY	100	0.018	1.36
New York Fed Services Business Activity	16:30	4.6	8.7	Silver(\$/oz.)	65	-0.881	-9.01

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

Disclaimer: Any information contained in this document should not be construed as an offer, invitation, solicitation, or advice of any kind to buy or sell any financial products or services offered by Bank Dhofar S.A.O.G ("Bank Dhofar S.A.O.G"), unless specifically stated so. Foreign exchange and derivative transactions involve numerous risks including among others, market, counterparty default and illiquidity risk. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You may consider asking advice from your advisers in making this assessment. No part of this report/document may be copied or redistributed by any recipient for any purpose without Bank Dhofar S.A.O.G's prior written consent. All information contained in this document has been obtained from official sources believed to be accurate and reliable and Bank Dhofar S.A.O.G makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Opinions, estimates and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Bank Dhofar S.A.O.G and are subject to change without notice.