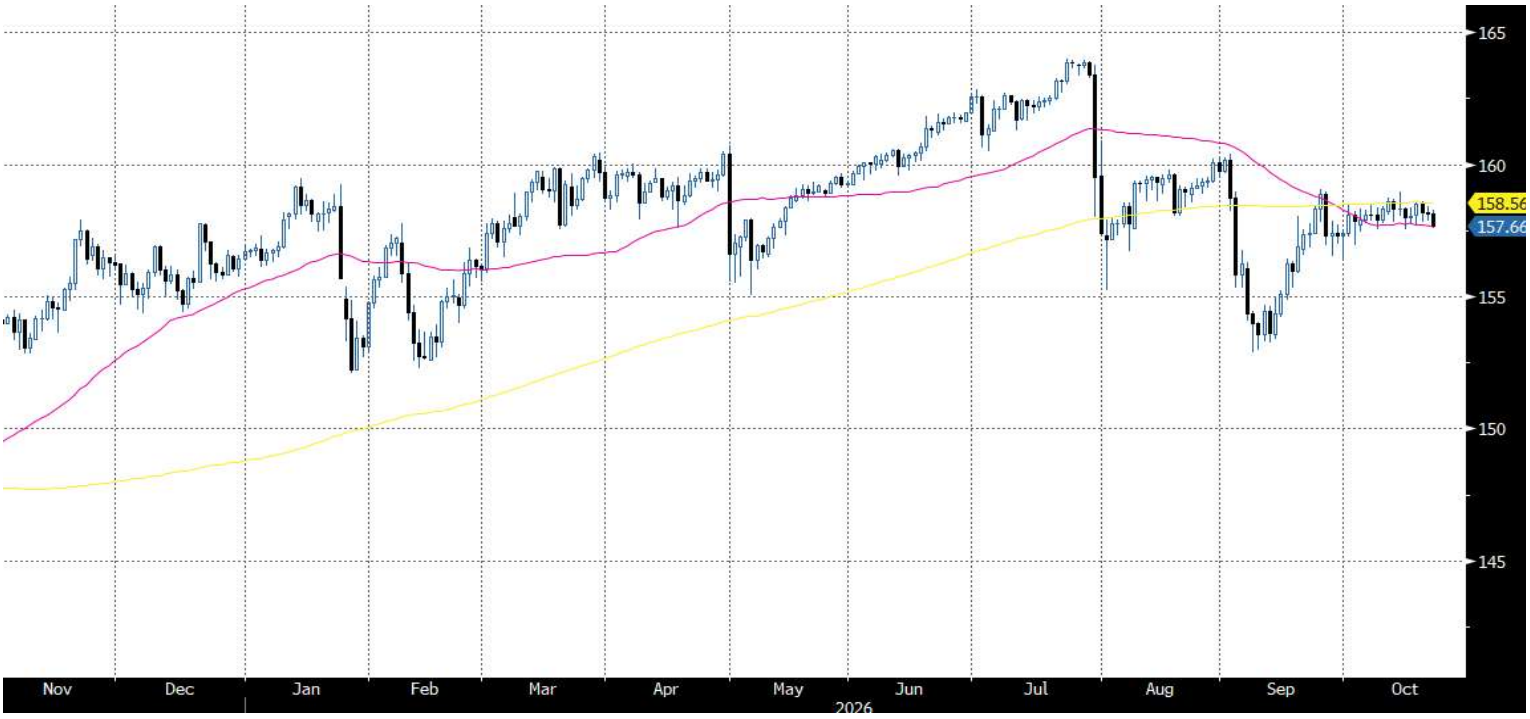
Bank Dhofar Morning Market Update

Date: 22/10/26

Global Update

Global equities came under pressure as earnings from major technology companies failed to fully reassure investors about the sustainability of the artificial intelligence-driven rally. US equity futures weakened, with Nasdaq 100 futures falling 1.3% and S&P 500 futures down 0.7%, as mixed results from Tesla and Meta reignited concerns over the significant costs associated with AI expansion. In Asia, technology and semiconductor stocks led declines, dragging the Kospi lower by more than 3%, while China's CSI 300 Index moved closer to bear market territory amid renewed weakness in e-commerce shares after regulatory scrutiny on quality standards. Tesla shares fell after reducing its capital expenditure outlook, while Meta advanced on stronger AI investment plans; however, weakness in semiconductor-related stocks, including Lam Research, weighed on sentiment. Adding to market uncertainty, Brent crude oil rose 1.7% to around USD 110.70 per barrel following deadly attacks in Saudi Arabia that heightened concerns over potential supply disruptions amid escalating Middle East tensions. Safe-haven demand supported Treasuries, while gold and Bitcoin retreated. Investors remain focused on whether strong corporate earnings can justify elevated AI-related valuations, as concerns grow that massive investments in data centres and computing infrastructure may take longer than expected to generate meaningful returns.

USD/JPY holds firm above 158.00 during Thursday's Asian session, continuing the range-bound trading pattern seen since the start of the month as investors balance mixed market forces and await key central bank decisions next week before taking stronger directional positions. From a technical perspective, the pair remains capped below the 100-day Simple Moving Average at 159.39 and the 50% Fibonacci retracement level of 158.48 from the 152.91-164.06 rally, indicating that upside momentum remains limited while these resistance levels hold. A decisive break above these barriers could pave the way toward the 61.8% Fibonacci retracement at 159.80, followed by resistance near 161.67 and the recent peak at 164.06. On the downside, initial support is seen at 157.17, the 38.2% Fibonacci retracement level, followed by stronger support around 155.54 and the key structural base at 152.91. A break below this latter level would signal a deeper corrective move and potentially shift the broader trend lower.



Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1232	1.1256	1.1227
GBPUSD	1.3394	1.3408	1.3383

Rates

	Last Price	Previous Day Close
O/N SOFR	3.880	#N/A N/A
1 month SOFR	3.933	3.933

Internal

USDJPY	158.14	158.2500	157.60	**3 month SOFR**	4.066	4.066
USDINR	94.47	94.50	94.32	**6 months SOFR**	4.229	4.229
USDCNY	6.6747	6.6758	6.6742	**12 month SOFR**	4.497	4.497
USDCHF	0.8244	0.8247	0.8219	**3 years IRS**	4.652	4.682
AUDUSD	0.7029	0.7037	0.7007	**5 years IRS**	4.633	4.668
NZDUSD	0.5701	0.5710	0.5681			

The currency market was relatively mixed, with the euro holding steady around $1.1241 and the offshore yuan remaining largely unchanged at 6.6740 per dollar. The Japanese yen strengthened by 0.3% to 157.74 per dollar, reflecting increased demand for safe-haven currencies amid heightened market uncertainty, while the Australian dollar weakened by 0.2% to $0.7014 as risk sentiment deteriorated across global markets.

Government bond markets strengthened as investors sought safety amid rising geopolitical risks and concerns over global growth. The yield on the benchmark 10-year US Treasury note declined by four basis points to 5.08%, reflecting increased demand for safe-haven assets. In Japan, the 10-year government bond yield was unchanged at 2.88%, while Australia's 10-year bond yield eased two basis points to 5.26%, indicating a modest shift toward defensive positioning across major bond markets.

	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
Initial Jobless Claims	16:30	200k	199k
Continuing Claims	16:30		198.5k

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7757	0.578	13.32
Euro Stoxx 600	644	0.916	8.83
ShanghaiComposite Index	3680	-0.893	-7.28
MSX-30	7440	-1.514	26.81
NIFTY-50	22730	-0.357	-13.01
Brent Crude ($/bbl)	110.99	2.003	84.32
Gold ($/oz.)	4091	-1.195	-5.28
DXY	102	-0.192	3.32
Silver($/oz.)	56	-2.827	-21.39

For any Treasury related requirement, please contact:
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