

Bank Dhofar Morning Market Update



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Global Update

Asian equities pared earlier losses after a decline in US tech shares, as investors rotated into more economically sensitive sectors such as financials and industrials. MSCI's Asia-Pacific equity gauge, which initially fell as much as 0.6%, trimmed the drop as traders bet that Asian companies' more diversified business models could offer resilience against the tech-led downturn.

The weakness originated in the US market, where concerns have intensified that the rapid adoption of artificial intelligence could disrupt traditional software-as-a-service (SaaS) models. Sentiment worsened after AI startup Anthropic launched a new productivity tool for in-house legal teams, signaling direct competition with established legal-tech and data-services providers. This triggered a slide in software shares across the US, which then spread into Asian markets as regional software names tracked the losses.

The selloff broadened further to include alternative investment firms, notably Blue Owl Capital Inc., amid speculation that AI-driven disruptions could lead to losses on their portfolios. Market analysts noted that Wall Street's skepticism toward software companies has been building for some time, with traders increasingly pricing in the potential for AI to reshape — and in some cases undermine — traditional software business models. Gold builds on the recovery from four-week lows beyond \$5,000 early Wednesday. The US Dollar struggles for traction amid data delay and uncertainty over the Fed's rate outlook under Warsh.

Gold recaptures 21-day SMA, while RSI holds firmly above the midline on the daily chart. The 21-day Simple Moving Average (SMA) rises above the 50- and 100-day readings, while price holds over all key SMAs to keep a bullish tone. The 50- and 100-day SMAs also advance, reinforcing buyers' control. The Relative Strength Index (14) prints at 58.61, above the 50 line and supporting positive momentum. Initial dynamic support aligns with the 21-day SMA at \$4,813.31, followed by the 50-day SMA at \$4,520.99; staying above these levels would preserve the upside bias. The broader trend backdrop remains firm as the 100- and 200-day SMAs extend their ascent with shorter averages stacked above them, underscoring a well-established bullish structure. Pullbacks would be expected to find deeper demand at the 100-day SMA at \$4,260.29, while the 200-day SMA at \$3,814.47 underpins the longer-term trend. Holding above the rising short-term average would keep the advance on track, whereas a close beneath \$4,260.29 could shift focus toward \$3,814.47 and signal a broader consolidation phase.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1819	1.1832	1.1809	O/N SOFR	3.690	0.000
GBPUSD	1.3697	1.3713	1.3691	1 month SOFR	3.671	3.671

USDJPY	155.75	156.3900	155.70	3 month SOFR	3.661	3.661
USDINR	90.42	90.56	90.36	6 months SOFR	3.612	3.612
USDCNY	6.9342	6.9383	6.9341	12 month SOFR	3.479	3.479
USDCHF	0.7753	0.7766	0.7750	3 years IRS	3.438	3.436
AUDUSD	0.7021	0.7036	0.7013	5 years IRS	3.558	3.556
NZDUSD	0.6046	0.6054	0.6027			

USD/JPY rises toward mid 156-157 while EUR/USD consolidates above 1.18 ahead of eurozone inflation data. GBP/USD hovers around 1.37 while AUD/USD is steady to hold above 0.70. NZD/USD declined toward 0.60 after New Zealand's unemployment rate unexpectedly rose in 4Q.

US 2-year yields are steady at 3.57% while 10-year yields gain 1bp to 4.27%.The yield on 10-year Treasuries was little changed at 4.27%.Japan's 10-year yield was unchanged at 2.250%.RBA Raises Cash Rate Target by 25bps to 3.85%; Est. 3.85%Australia's 10-year yield advanced three basis points to 4.87%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	6918	-0.840	1.06
*Bank Deposit Rates for 1 years			3.75	Euro Stoxx 600	618	0.100	4.35
				ShanghaiComposite Index	4068	-0.002	2.49
Bank Deposit Rates for 5 years			3.75	MSX-30	6322	1.103	7.75
*Amount>500k OMR				NIFTY-50	25779	0.201	-1.34
Calendar				Brent Crude (\$/bbl)	67.88	0.832	12.23
				Gold (\$/oz.)	5076	2.618	17.52
Key Data Watch	Time (GST)	Expected	Prior			-0.081	
MBA Mortgage Applications	16:00		-8.5%	DXY	97		-0.98
ADP Employment Change	17:15	45k	41k	Silver(\$/oz.)	88	3.468	22.96

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