Bank Dhofar Morning Market Update

Date: 26/08/26

Global Update

Stocks rose as Asian semiconductor makers advanced ahead of Nvidia Corp.'s results, with traders looking to the chip bellwether's earnings for the next beat in the artificial intelligence trade. Oil extended its decline. MSCI's Asia Pacific equities gauge climbed 1%, with Samsung Electronics Co. and SK Hynix Inc. the biggest contributors. Chip stocks had also advanced on Wall Street, with Nvidia snapping a seven-day run of losses before its earnings Wednesday. As sentiment improved, US equity-index futures pared earlier losses to trade little changed. European shares were set for modest gains. Adding to the mood was Brent, dropping for a third consecutive day as Iran and Oman discussed an "interim framework" aimed at resuming shipping through the Strait of Hormuz. The commodity fell 2.6% to around $86.30 a barrel, extending this week's decline to 8.6%. Oil's drop eased inflation concerns, helping bonds rally. Treasuries held their gains from Tuesday, when the benchmark 10-year yield fell seven basis points. Government bonds in Japan and New Zealand also advanced, while those in Australia erased earlier gains and fell after an inflation report boosted bets on an interest-rate hike.

The rupee and bonds gained as a fall in oil prices reduced concerns of a rise in India's external payments. Dollar sales by the Reserve Bank of India also helped shore up the local currency on Tuesday. USD/INR falls 0.4% , the most since July 27, to 95.415. Brent oil fell to the lowest in a week; the New York Times reported the US is preparing to send diplomats back to embassies in the Middle East, suggesting Washington doesn't anticipate a renewal of a full-scale conflict with Iran. The rupee's move comes with Brent falling to below $89.64 per barrel, while the RBI's continued presence in the market has helped in containing volatility, according to Anil Kumar Bhansali, head of treasury at Finrex Treasury Advisors. The central bank's current intervention strategy is sustainable only when global currency volatility is down and the dollar is soft, which has been the case lately. Once the global volatility rises again it will be difficult for the RBI to keep the rupee from depreciating, and the currency may witness sharp moves. For now, the interventions are positive for the rupee as the RBI seems to be in control, which discourages major short bets against the rupee even in the offshore market. 10-year yields ease 1bp to 6.86%, 5-year yields decline 3bps to 6.47%. RBI will end its special facility for overseas deposits on Aug. 31

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1675	1.1677	1.1661
GBPUSD	1.3649	1.3651	1.3630
USDJPY	159.19	159.2600	158.88
USDINR	95.73	95.74	95.39
USDCNY	6.7207	6.7217	6.7206
USDCHF	0.8015	0.8036	0.8011
AUDUSD	0.7163	0.7186	0.7160
NZDUSD	0.5976	0.5980	0.5953

The euro fell 0.1% to $1.1662. The Japanese yen rose 0.1% to 159.00 per dollar. The offshore yuan was little changed at 6.7208 per dollar. The British pound fell 0.1% to $1.3634. The Australian dollar rose 0.2% to $0.7177. Bitcoin rose 1% to $78,972.07. Ether rose 1.2% to $2,464.63. Spot gold fell 0.3% to $4,641.01 an ounce. West Texas Intermediate crude fell 2.5% to $80.27 a barrel. Spot gold fell 0.3% to $4,641 an ounce.

Rates

	Last Price	Previous Day Close
O/N SOFR	3.650	#N/A N/A
1 month SOFR	3.683	3.683
3 month SOFR	3.757	3.757
6 months SOFR	3.861	3.861
12 month SOFR	4.012	4.012
3 years IRS	4.051	4.037
5 years IRS	4.084	4.070

S&P 500 futures were little changed as of 5:44 a.m. London time. Nasdaq 100 futures were little changed. The MSCI Asia Pacific Index rose 1%. The MSCI Emerging Markets Index rose 1.1%. S&P 500 futures were little changed. Japan's Topix rose 0.5%. Australia's S&P/ASX 200 fell 0.2%. Hong Kong's Hang Seng rose 0.7%. The Shanghai Composite rose 0.7%. Euro Stoxx 50 futures rose 0.2%. The yield on 10-year Treasuries advanced one basis point to 4.64%. Japan's 10-year yield declined 1.5 basis points to 2.875%. Australia's 10-year yield was little changed at 5.03%

	Current Levels
CBO Repo Rate	4.25
O/N OMIBOR	4
*Bank Deposit Rates for 1 years	4.45
Bank Deposit Rates for 5 years	4.45

*Amount>500k OMR

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7677	0.319	12.15
Euro Stoxx 600	656	0.347	10.86
ShanghaiComposite Index	3917	0.712	-1.30
MSX-30	7503	0.020	27.88
NIFTY-50	24316	-0.076	-6.94
Brent Crude ($/bbl)	86.85	-1.953	44.34
Gold ($/oz.)	4638	-0.417	7.37
DXY	99	0.051	0.65
Silver($/oz.)	69	0.615	-3.60

Calendar

Key Data Watch	Time (GST)	Expected	Prior
MBA Mortgage Applications	15:00		3.6%
Durable Goods Orders	16:30	0.3%	0.3%

For any Treasury related requirement, please contact:

Telephone: +968 2265 2721/2722/2731/2716