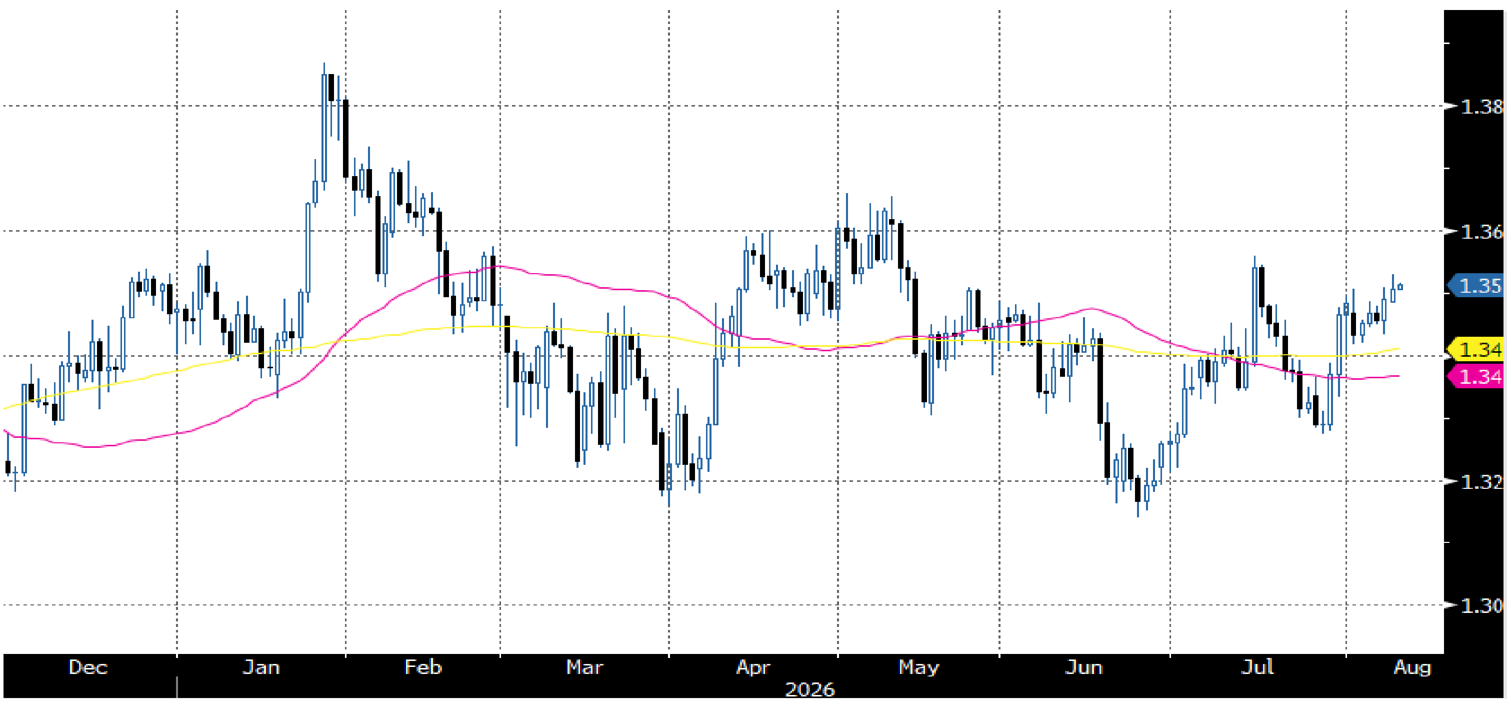
Bank Dhofar Morning Market Update

Date: 11/08/26

Global Update

Asian markets traded cautiously as rising oil prices rekindled inflation concerns ahead of Wednesday's US CPI report. Government bonds across Asia-Pacific weakened in line with US Treasuries, with the US 10-year yield climbing to 4.71%, while Treasury futures also declined. Brent crude remained elevated near USD 87.7/bbl following President Trump's tougher stance on Iran, raising doubts over a near-term agreement to reopen the Strait of Hormuz and supporting oil prices. The resurgence in energy prices has renewed concerns that inflation may remain sticky despite softer US labour market data last week. Meanwhile, gold extended gains for a third consecutive session, breaking above key technical levels and trading above USD 4,400/oz, with silver and platinum also advancing. Equity markets remained resilient, supported by technology stocks, with South Korea's Kospi rising nearly 1% and Nasdaq futures gaining 0.3%. In currencies, the Japanese yen stabilised after a sharp sell-off, while the Australian dollar held steady ahead of the Reserve Bank of Australia's policy decision. Market focus is now firmly on the upcoming US CPI release and comments from Federal Reserve officials, with Cleveland Fed President Beth Hammack indicating that further rate hikes may still be required if inflation fails to return sustainably to target.

GBP/USD remains supported near the 1.3500 level, with sterling continuing to outperform despite markets largely dismissing the prospect of a near-term Bank of England rate hike. Technically, the pair maintains a constructive outlook, trading above the 60-day EMA at 1.3403 and holding above the previously broken descending trendline, which now acts as support around 1.3456. Momentum indicators remain positive, with the RSI at 61.1 signalling continued buying interest without yet reaching overbought territory. As long as support at 1.3456 and 1.3403 remains intact, the bullish bias is likely to prevail, with traders looking for a sustained break above recent highs near 1.3510 to open the door for further gains. A move below these support levels, however, could trigger a deeper corrective pullback.



Source: Reuters, Bloomberg

Currencies	Open	High	Low
EURUSD	1.1544	1.1550	1.1539
GBPUSD	1.3507	1.3515	1.3503
USDJPY	159.29	159.3100	158.93
USDINR	95.40	95.41	95.38
USDCNY	6.7461	6.7461	6.7443
USDCHF	0.8102	0.8105	0.8094
AUDUSD	0.7055	0.7062	0.7040
NZDUSD	0.5882	0.5893	0.5875

The euro was unchanged at $1.1543.The Japanese yen was little changed at

Rates	Last Price	Previous Day Close
O/N SOFR	3.620	3.620
1 month SOFR	3.645	3.645
3 month SOFR	3.761	3.761
6 months SOFR	3.892	3.892
12 month SOFR	4.055	4.055
3 years IRS	4.103	4.103
5 years IRS	4.130	4.131

The yield on 10-year Treasuries advanced six basis points to 4.71%.Japan's 10-year yield advanced three basis points to 2.815%.Australia's 10-year yield advanced three basis points to 5.03%.

159.20 per dollar.The offshore yuan was little changed at 6.7455 per dollar.

	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	4.00

*Amount>500k OMR

Calendar

Key Data Watch	Time (GST)	Expected	Prior
NFIB Small Business Optimism	14:00	97.5	97.4
ADP Weekly Employment Change	16:15		15k

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7753	-0.058	13.26
Euro Stoxx 600	660	0.030	11.53
ShanghaiComposite Index	3965	-0.045	-0.10
MSX-30	7432	0.488	26.67
NIFTY-50	24472	-0.454	-6.34
Brent Crude ($/bbl)	87.53	-0.205	45.49
Gold ($/oz.)	4417	0.584	2.25
DXY	100	-0.030	1.48
Silver($/oz.)	66	0.028	-8.24

For any Treasury related requirement, please contact:
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