

Bank Dhofar Morning Market Update



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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				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1544	1.1550	1.1539	O/N SOFR	3.620	3.620
GBPUSD	1.3507	1.3515	1.3503	1 month SOFR	3.645	3.645
USDJPY	159.29	159.3100	158.93	3 month SOFR	3.761	3.761
USDINR	95.40	95.41	95.38	6 months SOFR	3.892	3.892
USDCNY	6.7461	6.7461	6.7443	12 month SOFR	4.055	4.055
USDCHF	0.8102	0.8105	0.8094	3 years IRS	4.103	4.103
AUDUSD	0.7055	0.7062	0.7040	5 years IRS	4.130	4.131
NZDUSD	0.5882	0.5893	0.5875	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%.		

The euro was unchanged at \$1.1543. The Japanese yen was little changed at 159.29 per dollar. The offshore yuan was little changed at 6.7455 per dollar.

Internal

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

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	7753	-0.058	13.26
*Bank Deposit Rates for 1 years			4.45	Euro Stoxx 600	660	0.030	11.53
				ShanghaiComposite Index	3965	-0.045	-0.10
Bank Deposit Rates for 5 years			4.00	MSX-30	7432	0.488	26.67
*Amount>500k OMR				NIFTY-50	24472	-0.454	-6.34
Calendar				Brent Crude (\$/bbl)	87.53	-0.205	45.49
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4417	0.584	2.25
NFIB Small Business Optimism	14:00	97.5	97.4	DXY	100	-0.030	1.48
ADP Weekly Employment Change	16:15		15k			Silver(\$/oz.)	
For any Treasury related requirement, please contact: Telephone: +968 2265 2721/2722/2731/2716							

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