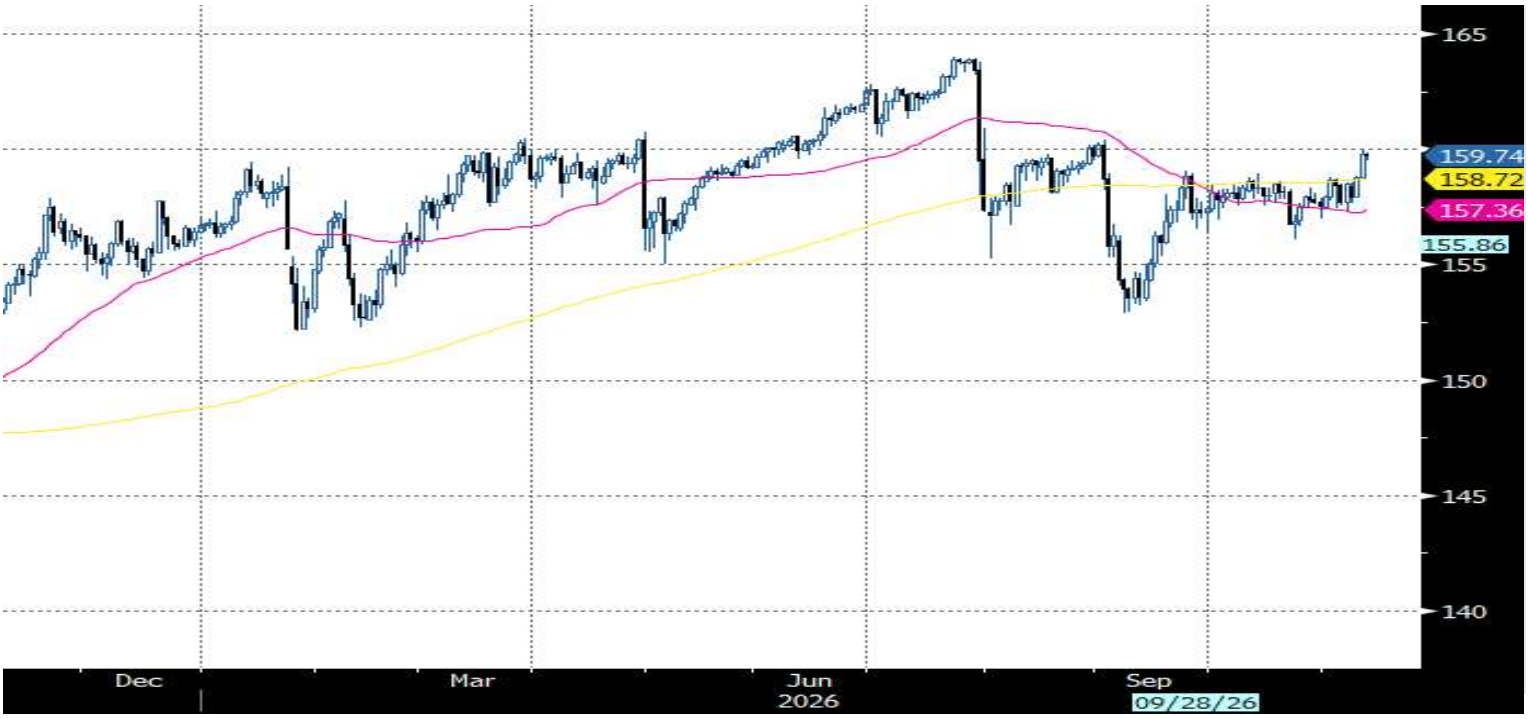
Bank Dhofar Morning Market Update

Date: 12/11/26

Global Update

Global equity markets lost momentum after a strong rally as concerns emerged over a leadership crisis at Nvidia, a key driver of the AI investment theme. Nvidia shares fell sharply in after-hours trading, weighing on Nasdaq futures and broader market sentiment, with investors reassessing the outlook for AI-related stocks. The setback overshadowed recent optimism generated by strong earnings and revenue growth across the AI sector, including positive developments from CoreWeave, OpenAI, and Anthropic. Asian equities were mixed, while investors increasingly sought defensive assets amid uncertainty surrounding the semiconductor giant and the broader technology sector.

The USD/JPY pair attracts some sellers during the Asian session on Thursday, snapping a two-day winning streak to its highest level since early September, around the 160.00 psychological mark touched the previous day. Spot prices, however, show some resilience below mid-159.00s, warranting some caution before positioning for a further decline amid mixed fundamental cues.The USD/JPY pair maintains a bullish near-term bias above the 100-day Simple Moving Average (SMA) at 158.99. Spot prices consolidate just beneath the 61.8% Fibonacci retracement of the 152.88–164.00 rally at 159.75, which is followed by the 78.6% retracement at 161.62. On the downside, initial support emerges at the 100-day SMA at 158.99, ahead of the 50.0% retracement at 158.44. A deeper pullback would expose the 38.2% level at 157.13, with lower structural floors at 155.51 and 152.88.



Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1090	1.1100	1.1066
GBPUSD	1.3275	1.3283	1.3250
USDJPY	159.80	159.8400	159.48
USDINR	93.74	93.78	93.66

Rates

	Last Price	Previous Day Close
O/N SOFR	3.880	#N/A N/A
1 month SOFR	3.921	3.921
3 month SOFR	4.082	4.082
6 months SOFR	4.190	4.190

Internal

USDCNY	6.6695	6.6695	6.6673	**12 month SOFR**	4.361	4.361
USDCHF	0.8331	0.8336	0.8317	**3 years IRS**	4.600	4.576
AUDUSD	0.6847	0.6866	0.6835	**5 years IRS**	4.544	4.533
NZDUSD	0.5563	0.5581	0.5555			

The US dollar remained firm near an 18-month high as markets continued to price in a more hawkish Federal Reserve outlook. The Japanese yen hovered near the closely watched 160-per-dollar level, keeping traders alert for possible intervention risks, while Indonesia's rupiah weakened to a record low under pressure from the strong dollar and concerns over potential MSCI index changes. The euro edged lower against the greenback, reflecting ongoing expectations of tighter US monetary policy and sustained dollar strength across global currency markets.

Interest-rate expectations shifted higher as traders fully priced in a 25-basis-point Federal Reserve rate hike next month, with a growing possibility of a larger 50-basis-point move. Hawkish Fed rhetoric and stronger-than-expected US inflation data reinforced expectations that policy rates may remain restrictive for longer. Safe-haven demand supported US Treasuries following the Nvidia-related market uncertainty, pushing long-dated bond yields slightly lower, although benchmark yields remained near elevated levels. Market participants continue to focus on the trajectory of US monetary policy, with tighter financial conditions driving movements across bond, currency, and commodity 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	17:30	194k	189k
Continuing Claims	17:30	1710k	1718k

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7619	1.309	11.30
Euro Stoxx 600	663	0.719	11.97
ShanghaiComposite Index	3688	0.201	-7.07
MSX-30	7374	1.301	25.69
NIFTY-50	25354	0.390	-2.97
Brent Crude ($/bbl)	91.30	-1.563	51.60
Gold ($/oz.)	3974	-0.355	-8.00
DXY	103	0.101	4.77
Silver($/oz.)	51	-0.515	-28.25

For any Treasury related requirement, please contact:
Telephone: +968 2265 2721/2722/2731/2716

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