

Bank Dhofar Morning Market Update



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Global Update

Asian markets opened stronger as improved risk sentiment lifted both bonds and equities. The key catalyst was the US Treasury's decision to significantly increase long-dated bond buybacks, helping ease upward pressure on borrowing costs and driving a rally in global government bonds. US Treasury yields declined sharply, with the 30-year yield falling from multi-year highs, supporting gains across Asian bond markets and contributing to a weaker US dollar. Equity sentiment improved across the region, with MSCI Asia Pacific rising 1.4%, led by South Korea's Kospi. Technology shares outperformed after SK Hynix announced a share buyback programme, while Samsung surged on reports of a substantial shareholder return initiative. US equity futures also advanced, signalling a more constructive tone for global risk assets. In commodities, gold retreated slightly after recent gains, while Brent crude extended its rally above USD 92/bbl amid escalating geopolitical tensions involving Iran. Bitcoin climbed towards USD 69,000 following supportive comments from President Trump regarding cryptocurrency legislation.

Despite the rebound, investors remain cautious as concerns over persistent inflation, rising government debt levels, and heavy corporate borrowing to fund AI-related investments continue to pressure long-term bond markets. Recent US Treasury auctions also highlighted higher funding costs, with yields reaching levels last seen during the 2001–2007 period.

USD/JPY edged higher toward 158.50 during Asian trading as the yen remained pressured by wide interest-rate differentials, fiscal concerns and elevated import costs.

Technically, the pair remains below its 20-day EMA at 159.82, keeping the near-term bias mildly bearish despite the recent rebound. The RSI at 43.36 signals neutral momentum, suggesting consolidation rather than a strong bullish breakout. A sustained close above 159.82 would ease downside pressure and improve the outlook, while failure to reclaim this level could leave the pair vulnerable to further corrective weakness.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1677	1.1684	1.1670	O/N SOFR	3.650	3.650
GBPUSD	1.3606	1.3617	1.3595	1 month SOFR	3.652	3.652
USDJPY	158.17	158.5600	158.03	3 month SOFR	3.733	3.733
USDINR	95.57	95.67	95.57	6 months SOFR	3.837	3.837

USDCNY	6.7273	6.7272	6.7211	12 month SOFR	3.978	3.978
USDCHF	0.7974	0.8002	0.7970	3 years IRS	4.036	4.037
AUDUSD	0.7125	0.7129	0.7103	5 years IRS	4.071	4.072
NZDUSD	0.5936	0.5957	0.5926	Global bond markets rallied after the US Treasury announced increased long-dated bond buybacks, easing concerns over rising borrowing costs and supporting investor sentiment. The US 10-year Treasury yield fell to 4.63%, while Japan's 10-year yield declined to 2.835% and Australia's 10-year yield dropped to 5.00%, reflecting stronger demand for sovereign debt and a broader pullback in global yields.		

EUR/USD held steady at 1.1675, GBP/USD remained firm near 1.3615, and AUD/USD traded around 0.7125, benefiting from the softer USD backdrop, while the offshore yuan gained 0.1% to 6.7238 per dollar. In contrast, the Japanese yen weakened 0.2% to 158.45 per dollar as investors reduced safe-haven positions amid the improved market mood.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	7708	0.211	12.60
*Bank Deposit Rates for 1 years			4.45	Euro Stoxx 600	651	-0.113	9.96
				ShanghaiComposite Index	3905	0.277	-1.60
Bank Deposit Rates for 5 years			4.00	MSX-30	7547	-0.044	28.63
*Amount>500k OMR				NIFTY-50	24198	0.496	-7.39
				Brent Crude (\$/bbl)	91.96	0.393	52.87
				Gold (\$/oz.)	4487	-0.631	3.88
				DXY	99	-0.016	0.50
				Silver(\$/oz.)	67	-0.148	-6.68

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
Initial Jobless Claims	16:30	210k	209k
Continuing Claims	1788k		1777k

For any Treasury related requirement, please contact:
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