

# Bank Dhofar Morning Market Update



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## Global Update

Global markets started the week on a strong footing, with Asian equities powering a broad rebound across risk assets. This builds on Friday's solid performance in the US, where major indices reversed part of their earlier declines. A key Asia Pacific benchmark recorded a robust advance, reflecting strength across large- and mid-cap stocks. Japan's market climbed to a new historic high, supported by optimism following a decisive national election result that reinforced the Prime Minister's political position. South Korea's tech- and AI-linked stocks outperformed, continuing to attract inflows as investors rotate back into growth themes. The current risk-on environment could offer near-term support to higher-beta currencies. JPY volatility may remain elevated amid strong Japanese equity performance and shifting domestic political dynamics. USD movement is likely to stay closely linked to yield fluctuations and incoming US economic data. Gains in gold indicate that hedging demand persists despite the broader recovery in risk assets. Analysts highlight that the market backdrop is shifting away from earlier confidence in synchronized global expansion. Investors are now navigating a more uncertain environment marked by labor-market softness, rapid technological disruption, and tighter financial conditions. This is prompting a reassessment of diversification strategies, liquidity expectations, and policy trajectories.

The European Central Bank (ECB) kept monetary policy unchanged for the fifth consecutive meeting, maintaining its key interest rates at the existing levels as policymakers continue to adopt a wait-and-see stance amid a resilient but uncertain economic environment. The 20-period Simple Moving Average (SMA) slides beneath the 50-period and both turn lower, keeping near-term bias under pressure. The 100- and 200-period SMAs edge higher, with price holding above them but capped below the shorter averages. The Relative Strength Index (RSI) prints at 43, below the midline, reinforcing subdued momentum. Measured from the 1.1590 low to the 1.1825 high, the 50% retracement at 1.1808 aligns as an immediate resistance level ahead of 1.1860-1.1870, where the Fibonacci 38.2% retracement level and the 50-period SMA meet. On the downside, 1.1750-1.1755 (200-period SMA, Fibonacci 61.8% retracement) could be seen as a key support level before 1.1680 (Fibonacci 78.6%).



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1816	1.1834	1.1810	O/N SOFR	3.650	0.000
GBPUSD	1.3598	1.3621	1.3587	1 month SOFR	3.665	3.665

USDJPY	157.01	157.7600	156.22	3 month SOFR	3.640	3.640
USDINR	90.55	90.70	90.45	6 months SOFR	3.579	3.579
USDCNY	6.9347	6.9353	6.9334	12 month SOFR	3.434	3.434
USDCHF	0.7768	0.7773	0.7748	3 years IRS	3.370	3.360
AUDUSD	0.7008	0.7038	0.7007	5 years IRS	3.496	3.484
NZDUSD	0.6015	0.6034	0.6006			

USD/JPY down 0.3% to 156.78. “As always, we are watching market developments with a high sense of urgency,” Mimura said. Finance Minister Satsuki Katayama said that she was ready to communicate with the market on Monday if needed

AUD/USD rose amid risk-on price action as the Nikkei dragged regional stocks higher. GBP/USD slipped after Keir Starmer’s Chief of Staff Morgan McSweeney quit his post on Sunday.

Global government bonds will buckle as Japanese Prime Minister Sanae Takaichi’s election win exacerbates concerns that aggressive fiscal spending means unsustainable debt burdens. US 2-year yields are up 0.4bp to 3.5% while 10-year yields gain 1.4bps to 4.22%, and 30-year yields ended up 1.4bps to 4.87%.Japan’s 10-year yield advanced 5.5 basis points to 2.280%.Australia’s 10-year yield advanced four basis points to 4.87%

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	6932	1.970	1.27
*Bank Deposit Rates for 1 years			3.75	Euro Stoxx 600	617	0.894	4.21
				ShanghaiComposite Index	4113	1.173	3.64
Bank Deposit Rates for 5 years			3.75	MSX-30	6565	2.187	11.90
*Amount>500k OMR				NIFTY-50	25823	0.501	-1.18
				Brent Crude (\$/bbl)	67.31	-1.087	11.27
				Gold (\$/oz.)	5015	1.014	16.10
				DXY	98	-0.055	-0.76
				Silver(\$/oz.)	82	5.474	14.56

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
NY Fed 1-Yr Inflation Expectations	20:00		3.42%

**For any Treasury related requirement, please contact:**  
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