Bank Dhofar Morning Market Update

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Global Update

Global equities extended their rebound as Anthropic's IPO filing reignited investor enthusiasm for the artificial intelligence sector, helping restore confidence after recent weakness in AI-related stocks. Asian markets advanced, led by technology shares in South Korea and Japan, with Samsung Electronics and SK Hynix gaining more than 4% ahead of earnings releases later this week. The rally was supported by expectations that upcoming results from major technology companies will provide further evidence of sustained AI demand. Investor sentiment was further boosted by a wave of large-scale technology fundraising activity. Meta Platforms is reportedly seeking up to $95 billion in funding for AI expansion, while Broadcom and SpaceX also announced sizeable financing transactions, underscoring continued investment in AI infrastructure and digital innovation. Despite the positive tone, gains showed signs of moderating as US equity futures remained largely unchanged and European markets pointed to a softer opening. Market participants remain cautious ahead of the Federal Reserve's policy decision and a busy week of earnings from major technology companies including Microsoft, Alphabet and Amazon, which are expected to provide fresh insight into the sustainability of AI-related spending and growth. Meanwhile, Brent crude oil declined 0.8% to around USD 114.90 per barrel amid renewed diplomatic efforts aimed at easing tensions in the Middle East, helping reduce inflation concerns and providing additional support to broader market sentiment. Overall, investors are closely watching whether Anthropic's landmark IPO and forthcoming Big Tech results can reinforce confidence in the AI-driven growth narrative and sustain the recovery in global equity markets.

AUD/USD remains under modest near-term pressure despite showing signs of stabilisation. The pair continues to trade below the 100-day SMA at 0.7035, keeping the broader trend capped, although the RSI (14) near 52 suggests momentum has improved from oversold conditions and is now neutral rather than decisively bearish. Current price action remains confined between the Bollinger Band middle and upper boundaries, indicating a consolidation phase rather than a strong directional move. From a technical perspective, immediate resistance is seen at the 100-day SMA (0.7035), followed by the upper Bollinger Band around 0.7045. A sustained break above this zone would improve the short-term outlook and could attract fresh buying interest. On the downside, initial support lies at the middle Bollinger Band near 0.6978, with stronger support at the lower Bollinger Band around 0.6915, which represents the lower boundary of the recent trading range.



Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1174	1.1178	1.1163

Rates

	Last Price	Previous Day Close
O/N SOFR	3.920	#N/A N/A

GBPUSD	1.3342	1.3349	1.3333	**1 month SOFR**	3.925	3.925
USDJPY	157.50	157.7600	157.42	**3 month SOFR**	4.045	4.045
USDINR	95.17	95.24	95.10	**6 months SOFR**	4.185	4.185
USDCNY	6.6688	6.6709	6.6679	**12 month SOFR**	4.428	4.428
USDCHF	0.8275	0.8284	0.8270	**3 years IRS**	4.547	4.568
AUDUSD	0.7017	0.7034	0.7010	**5 years IRS**	4.517	4.538
NZDUSD	0.5681	0.5705	0.5677			

The euro was little changed at 1.1173 against the US dollar, as investors balanced expectations for ECB policy against ongoing political and fiscal concerns in Europe. The Japanese yen remained steady at 157.65 per dollar, with traders awaiting further guidance from the Bank of Japan on its policy path. Meanwhile, the offshore Chinese yuan held near 6.6677 per dollar, indicating stable market sentiment toward China and regional risk assets. The Australian dollar outperformed, rising 0.2% to 0.7032, supported by improved risk appetite and renewed optimism surrounding technology and AI-related equities.

Government bond markets were broadly steady, with a modest bid for safe-haven assets supporting US Treasuries. The US 10-year Treasury yield declined two basis points to 4.97%, reflecting cautious investor positioning ahead of key central bank decisions and corporate earnings.In Asia, Japan's 10-year government bond yield rose 1.5 basis points to 2.795%, indicating expectations of further policy normalisation by the Bank of Japan. Meanwhile, Australia's 10-year bond yield was little changed at 5.15%, suggesting markets remain comfortable with the current outlook for interest rates and inflation.

	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
ADP Weekly Employment Change	16:15		18.5k
Durable Goods Orders	16:30	1.9%	-0.1%

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7677	0.696	12.14
Euro Stoxx 600	641	0.769	8.18
ShanghaiComposite Index	3693	-0.133	-6.96
MSX-30	7358	1.094	25.41
NIFTY-50	22740	-0.059	-12.97
Brent Crude ($/bbl)	114.63	-0.993	90.40
Gold ($/oz.)	4016	-0.018	-7.02
DXY	102	0.075	3.78
Silver($/oz.)	54	-0.779	-25.28

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