

Bank Dhofar Morning Market Update



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Global Update

Global markets were rattled as renewed conflict in the Middle East prompted a sharp pullback from risk assets, pushing stocks lower and driving oil prices higher. Asian equities fell 1.4%, while US equity futures dropped 0.8% before trimming some of the losses. Oil markets saw a similar pattern. Brent crude initially surged up to 13% in a knee-jerk reaction before easing, later trading 5.8% higher at \$77.13 a barrel. Traders focused on the Strait of Hormuz, which is now effectively closed, raising concerns about global oil supply flows. European equity futures pointed to a softer open as investors scaled back risk exposure. Meanwhile, safe-haven assets saw renewed demand: gold rose 1.6%, reaching about \$5,360 per ounce, while the dollar trimmed earlier gains and US Treasury yields moved lower across the curve. Trump said the bombing campaign against Iran will continue until its objectives are achieved, calling on the nation's leaders to capitulate even as a report indicated at least one top official in Tehran sought to resume nuclear talks with the US. Trump said he has agreed to talk with Iran's new leadership, The Atlantic reported, citing a conversation with him. Monday's decline in Asian stocks, the biggest in a month, came after the region's equities advanced December through February. Asian shares have outpaced the US and European benchmarks, where concerns about spending on AI and the technology's destructive impact on sectors have roiled markets.

The EUR/USD pair began the week with a bearish gap, pressured by a heightened global flight to safety stemming from the US-Iran conflict, which strengthened the US Dollar. Despite the initial drop, the pair shows limited downside follow-through, holding steady above the mid-1.1700s during the Asian trading session. In the daily chart, EUR/USD trades at 1.1786. The pair holds in a sideways posture above the 55- and 100-day Simple Moving Averages (SMAs) clustered in the 1.1770-1.1690 range, while the 200-day SMA lags below around 1.1660, keeping a mild bullish tilt intact. Price action above this moving average group suggests buyers defend the medium-term trend, although the flattening 55- and 100-day SMAs hint at reduced directional strength. The Relative Strength Index (RSI) at 47 stays close to its midline, in line with range-bound momentum, while the declining Average Directional Index (ADX) below 20 signals a fading trend environment and reinforces a neutral-with-upside-bias stance. Immediate support emerges at 1.1742, where a horizontal level converges with the nearby moving averages, and a break below there would expose 1.1578 as the next downside level, ahead of 1.1491 and 1.1469.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1772	1.1794	1.1772	O/N SOFR	3.660	3.660
GBPUSD	1.3489	1.3521	1.3489	1 month SOFR	3.674	3.674
USDJPY	155.87	156.0400	155.35	3 month SOFR	3.669	3.669
USDINR	90.94	90.94	90.89	6 months SOFR	3.619	3.619
USDCNY	6.8799	6.8800	6.8713	12 month SOFR	3.460	3.460
USDCHF	0.7740	0.7744	0.7727	3 years IRS	3.250	3.241
AUDUSD	0.7058	0.7110	0.7057	5 years IRS	3.316	3.303
NZDUSD	0.5966	0.5981	0.5961	US 2-year yields are up 3bps to 3.41% while 10-year yields rise 4bps to 3.98%. Japan's 10-year yield declined one basis point to 2.100% Australia's 10-year yield was little changed at 4.66%		

EUR/USD falls back below 1.18 while AUD/USD almost pares declines of as much as 1.2% to trade above 0.71. USD/JPY rises to hold above 156. USD/CHF drops 0.1% to hold under 0.77. GBP/USD declines to mid 1.34-1.35.

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25	S&P 500	6890	0.765	0.65
O/N OMIBOR			4	Euro Stoxx 600	629	0.229	6.24
*Bank Deposit Rates for 1 years			3.75	Shanghai Composite Index	4167	1.198	4.99
Bank Deposit Rates for 5 years			3.90	MSX-30	7292	1.605	24.29
*Amount > 500k OMR				NIFTY-50	25566	0.557	-2.16
Calendar				Brent Crude (\$/bbl)	71.28	0.664	17.77
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	5182	0.743	19.97
S&P Global US Manufacturing PMI	18:45	51.4	51.4	DXY	98	-0.094	-0.58
ISM Manufacturing	19:00	51.5	52.6	Silver (\$/oz.)	89	2.560	24.73

For any Treasury related requirement, please contact:

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