

# Bank Dhofar Morning Market Update



Date: 08/10/26

## Global Update

Global equity markets retreated after a strong rally that had pushed stocks close to record highs, as renewed tensions in the Middle East drove oil prices sharply higher and reignited inflation concerns. The MSCI All Country World Index fell 0.2%, moving further away from its all-time peak, while US equities slipped after recently reaching record levels and Asian markets followed with losses of around 1%. Brent crude rose 2% to above USD 102 per barrel amid escalating geopolitical risks, including reports that the US is considering military options against Iran, disruptions to US oil production from a storm, and increased Houthi attacks in Saudi Arabia. Higher oil prices weighed on government bonds, pushing the US 10-year Treasury yield up to 5.31%, near levels last seen in 2002. The rise in energy costs is adding to inflationary pressures at a time when the Federal Reserve has already tightened monetary policy, raising concerns that interest rates may remain elevated for longer. While investors have largely looked through higher rates and energy prices in recent months, the upcoming earnings season will be closely watched to determine whether the significant investments in artificial intelligence are translating into sustainable corporate earnings growth and justifying current market valuations. The USD/JPY pair edged lower during Thursday's Asian session, extending its pullback from the recent one-and-a-half-week high near 158.50, and was last trading around 157.85-157.80, down approximately 0.15% on the day. The pair continues to struggle below a significant resistance zone around 158.50, where the 200-day Simple Moving Average (SMA) converges with the 50% Fibonacci retracement level, suggesting bullish momentum remains constrained despite the broader recovery seen in recent weeks. A decisive break above this barrier could pave the way for further gains toward the 61.8% Fibonacci retracement at 159.75, followed by 161.62 (78.6% retracement) and potentially the cycle high near 164.00. On the downside, immediate support is located at 157.13 (38.2% Fibonacci retracement), with additional support seen at 155.51 (23.6% retracement). A deeper correction could expose the key structural support around 152.88, which marks the Fibonacci anchor and remains an important medium-term support level.



Source: Reuters, Bloomberg

| Currencies |        |          |        | Rates         |            |                    |
|------------|--------|----------|--------|---------------|------------|--------------------|
|            | Open   | High     | Low    |               | Last Price | Previous Day Close |
| EURUSD     | 1.1197 | 1.1213   | 1.1191 | O/N SOFR      | 3.900      | 3.900              |
| GBPUSD     | 1.3214 | 1.3230   | 1.3206 | 1 month SOFR  | 3.919      | 3.919              |
| USDJPY     | 158.08 | 158.2400 | 157.59 | 3 month SOFR  | 4.030      | 4.030              |
| USDINR     | 96.71  | 96.75    | 96.69  | 6 months SOFR | 4.191      | 4.191              |
| USDCNY     | 6.7035 | 6.7035   | 6.7015 | 12 month SOFR | 4.496      | 4.496              |

|        |        |        |        |                                                                                                                                                                                                                                                                                                                                                                               |       |       |
|--------|--------|--------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| USDCHF | 0.8334 | 0.8335 | 0.8321 | 3 years IRS                                                                                                                                                                                                                                                                                                                                                                   | 4.711 | 4.698 |
| AUDUSD | 0.6963 | 0.6968 | 0.6955 | 5 years IRS                                                                                                                                                                                                                                                                                                                                                                   | 4.759 | 4.746 |
| NZDUSD | 0.5599 | 0.5609 | 0.5595 | Global bond markets were mixed, with the yield on the benchmark US 10-year Treasury note rising two basis points to 5.31% as higher oil prices and renewed inflation concerns weighed on fixed-income assets. In contrast, Japan’s 10-year government bond yield fell three basis points to 3.075%, while Australia’s 10-year bond yield declined three basis points to 5.38% |       |       |

The major currency markets were largely range-bound, with the euro steady at \$1.1204, the Japanese yen little changed at 158.19 per dollar, and the offshore yuan holding near 6.7027 per dollar. Meanwhile, sterling traded around \$1.34, supported by resilient UK economic data, while the Australian dollar hovered near \$0.69, benefiting from firm commodity prices despite a cautious risk sentiment.

|                                 |      | Global Markets          |       |                  |         |
|---------------------------------|------|-------------------------|-------|------------------|---------|
| Current Levels                  |      |                         | Level | 1-Day Change (%) | YTD (%) |
| CBO Repo Rate                   | 4.5  |                         |       |                  |         |
| O/N OMIBOR                      | 4    | S&P 500                 | 7802  | -0.220           | 13.97   |
| *Bank Deposit Rates for 1 years | 4.45 | Euro Stoxx 600          | 630   | -1.002           | 6.43    |
|                                 |      | ShanghaiComposite Index | 3832  | -0.269           | -3.45   |
| Bank Deposit Rates for 5 years  | 4.45 | MSX-30                  | 7828  | 0.513            | 33.43   |

| Calendar               |            |          |       |
|------------------------|------------|----------|-------|
| Key Data Watch         | Time (GST) | Expected | Prior |
| Initial Jobless Claims | 16:30      | 200k     | 197k  |
| Continuing Claims      | 16:30      | 1700k    | 1701k |

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

Disclaimer: Any information contained in this document should not be construed as an offer, invitation, solicitation, or advice of any kind to buy or sell any financial products or services offered by Bank Dhofar S.A.O.G (“Bank Dhofar S.A.O.G”), unless specifically stated so. Foreign exchange and derivative transactions involve numerous risks including among others, market, counterparty default and illiquidity risk. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You may consider asking advice from your advisers in making this assessment. No part of this report/document may be copied or redistributed by any recipient for any purpose without Bank Dhofar S.A.O.G’s prior written consent. All information contained in this document has been obtained from official sources believed to be accurate and reliable and Bank Dhofar S.A.O.G makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Opinions, estimates and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Bank Dhofar S.A.O.G and are subject to change without notice.