

# Bank Dhofar Morning Market Update



Date: 21/05/26

## Global Update

Global equities extended gains for a second consecutive session, led by a renewed surge in AI-related stocks and strong momentum around upcoming tech IPOs. The MSCI All Country World Index rose 0.5%, while Asian equities outperformed sharply (+2.7%), with South Korea's Kospi jumping as much as 7.8%. Technology stocks led the rally, particularly those linked to the AI supply chain. Names such as LG Electronics and Hyundai Mobis surged over 10% after Nvidia's CEO highlighted the growing potential of physical AI and robotics. Samsung also gained strongly after averting labor disruptions. However, Nvidia itself saw a modest pullback despite strong earnings, reflecting some investor fatigue at elevated valuations. Investor sentiment was further supported by IPO-related optimism, with reports that OpenAI and SpaceX are preparing listings. This drove a sharp rally in SoftBank (+20%), given its exposure to AI-linked assets.

Markets are rebounding after recent pressure from rising global bond yields and concerns over stretched valuations in the AI-driven rally. Easing inflation concerns—driven by lower oil prices on expectations of improved geopolitical conditions in the Middle East—also supported risk sentiment and bonds. That said, caution persists. Oil prices remain volatile (Brent near \$106), gold eased slightly, and US equity futures indicate a muted open. Rate expectations have also shifted, with markets scaling back earlier aggressive rate-cut bets and now pricing in the possibility of further tightening. USD/JPY changes course and retakes 159.00 in the Asian session on Thursday, as optimism appears to be fading over a potential US-Iran peace deal, reviving the appeal of the US Dollar as a reserve currency. USD/JPY remains subdued for the second successive day, trading around 158.90 during the Asian hours on Thursday. The pair depreciates as the Japanese Yen (JPY) holds gains following the release of Japan's Merchandise Trade Balance Total data. Japan's trade balance swung to a surplus of JPY 301.9 billion in April 2026, reversing a deficit of JPY 149.5 billion from the same period last year and significantly outperforming the market's projected JPY 29.7 billion shortfall. Japan's Exports surged by 14.8% year-on-year to a near-record JPY 10,507.3 billion, accelerating from an 11.5% increase in March and recording the strongest growth in three months. Over the same period, Imports grew by 9.7% to JPY 10,205.4 billion. While this represents a slight deceleration from the 10.9% gain seen in March, the figure still surpassed market expectations of an 8.3% increase.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1711	1.1719	1.1710	O/N SOFR	3.600	3.600
GBPUSD	1.3523	1.3533	1.3518	1 month SOFR	3.629	3.629
USDJPY	157.86	157.9900	157.54	3 month SOFR	3.646	3.646
USDINR	95.72	95.88	95.69	6 months SOFR	3.672	3.672
USDCNY	6.7861	6.7899	6.7859	12 month SOFR	3.749	3.749
USDCHF	0.7820	0.7823	0.7813	3 years IRS	3.805	3.811
AUDUSD	0.7258	0.7262	0.7244	5 years IRS	3.831	3.834
NZDUSD	0.5936	0.5940	0.5927			

AUD/USD falls as much as 0.7% to touch 0.71. USD/JPY hovers below 159

US 2-year yields are steady at 4.06% and 10-year yields are little changed at 4.58%. In Wednesday's US trading session 2-year yields ended down 6bps while those for the 10-year fell 8bps. Australia's 10-year yield declined 11 basis points to

while EUR/USD consolidates above 1.16. GBP/USD is little changed to hold above 1.34. The offshore yuan was little changed at 6.8040 per dollar.

4.96%.

		Global Markets			
		Level	1-Day Change (%)	YTD (%)	
<b>CBO Repo Rate</b>	<b>Current Levels</b> 4.25				
<b>O/N OMIBOR</b>	4	<b>S&amp;P 500</b>	7444	0.585	8.75
<b>*Bank Deposit Rates for 1 years</b>	4.45	<b>Euro Stoxx 600</b>	611	0.790	3.25
		<b>Shanghai Composite Index</b>	4194	-1.138	5.68
<b>Bank Deposit Rates for 5 years</b>	4.00	<b>MSX-30</b>	8179	-1.285	39.41
<small>*Amount&gt;500k OMR</small>		<b>NIFTY-50</b>	23508	0.409	-10.03
		<b>Brent Crude (\$/bbl)</b>	106.30	0.644	76.54
		<b>Gold (\$/oz.)</b>	4698	0.191	8.76
				-0.034	
		<b>DXY</b>	98		0.17
		<b>Silver(\$/oz.)</b>	87	-0.672	21.35

  

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
<b>Initial Jobless Claims</b>	16:30	210k	211k
<b>Continuing Claims</b>	16:30	1786k	1782k

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

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