Bank Dhofar Morning Market Update

Date: 22/07/26

Global Update

Global equities extended their rally as investors renewed confidence in the artificial intelligence theme, driving strong gains in semiconductor stocks across Asia and the US. Asian shares advanced, led by South Korea's Kospi, while major chipmakers Samsung Electronics and SK Hynix surged alongside a rebound in the US semiconductor sector. Investor focus now turns to earnings from Alphabet and Tesla, with markets looking for further evidence that heavy AI-related investment will continue to generate strong growth.Meanwhile, oil prices climbed as hopes for near-term US-Iran negotiations faded, pushing Brent crude above USD 92 per barrel and reigniting inflation concerns. The rise in energy prices lifted US Treasury yields to their highest levels in two months as markets reassessed the possibility of further Federal Reserve tightening. Safe-haven demand also supported precious metals, with gold reaching a two-week high above USD 4,140 per ounce, while silver and platinum posted solid gains.In currency markets, the Japanese yen remained under pressure after weakening beyond JPY 163 per dollar, its weakest level since 1986, increasing speculation of possible intervention by Japanese authorities. Investors are also monitoring the impact of proposed US tariffs on generic drug imports and a busy corporate earnings calendar, with nearly one-fifth of the S&P 500 set to report results this week. Despite recent volatility in AI-related shares, many strategists continue to view the pullback as a healthy reset rather than a deterioration in underlying fundamentals, with earnings expected to remain a key driver of equity performance in the second half of the year.
Gold continues to recover strongly after rebounding from the USD 3,950 support zone, supported by reduced expectations of a Fed rate hike and renewed safe-haven demand. Technically, XAU/USD has regained footing above its 20-period EMA at USD 4,094, while momentum indicators suggest further upside potential. A sustained break above USD 4,203 would confirm a bullish double-bottom pattern and expose USD 4,300, whereas immediate support is seen at USD 4,094 followed by the USD 3,942–3,950 region. Overall, the near-term bias remains bullish while prices hold above the USD 4,090 support area.

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1398	1.1410	1.1397
GBPUSD	1.3376	1.3390	1.3370
USDJPY	163.17	163.2200	163.03
USDINR	96.36	96.41	96.26
USDCNY	6.7713	6.7740	6.7687
USDCHF	0.8127	0.8134	0.8123
AUDUSD	0.6999	0.7013	0.6996
NZDUSD	0.5826	0.5834	0.5823

The euro was little changed at $1.1406.The Japanese yen was little changed at 163.14 per dollar.The offshore yuan was little changed at 6.7737 per dollar.

Rates

	Last Price	Previous Day Close
O/N SOFR	3.570	3.570
1 month SOFR	3.667	3.667
3 month SOFR	3.733	3.733
6 months SOFR	3.844	3.844
12 month SOFR	3.989	3.989
3 years IRS	4.085	4.090
5 years IRS	4.082	4.085

The yield on 10-year Treasuries was little changed at 4.63%.Japan's 10-year yield advanced 2.5 basis points to 2.745%.Australia's 10-year yield advanced three basis points to 4.97%.

	Current Levels
CBO Repo Rate	4.25
O/N OMIBOR	4
*Bank Deposit Rates for 1 years	4.45
Bank Deposit Rates for 5 years	4.00

*Amount>500k OMR

Calendar

Key Data Watch	Time (GST)	Expected	Prior
MBA Mortgage Applications	15:00		-2.7%
Initial Jobless Claims	16:30	211k	208k

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7509	0.886	9.70
Euro Stoxx 600	643	0.561	8.61
ShanghaiComposite Index	3884	0.497	-2.15
MSX-30	7091	-0.854	20.87
NIFTY-50	24017	-0.706	-8.09
Brent Crude ($/bbl)	92.25	1.352	53.30
Gold ($/oz.)	4127	1.216	-4.46
DXY	101	-0.029	2.87
Silver($/oz.)	60	1.377	-16.83

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