Bank Dhofar Morning Market Update

Date: 10/11/26

Global Update

Asian equities staged a strong rebound, with the MSCI Asia Pacific Index rising 1.6%, marking its biggest two-day gain in over three months as investors returned to technology stocks following last week's sharp selloff. South Korea's Kospi surged 3.8%, leading regional markets, while Japan's Topix gained 1.7% and Australia's ASX 200 advanced 1.3%. The rally mirrored Wall Street's strongest session in seven months, with the Nasdaq 100 climbing 3.4% and US semiconductor stocks jumping nearly 7%. Investor sentiment improved as dip-buying emerged after concerns over tighter regulatory scrutiny of the AI sector and elevated technology valuations triggered heavy selling last week. Market participants are also closely watching Anthropic's anticipated IPO, which could provide further momentum to the technology sector if successfully received by investors.
Gold prices eased from three-week highs around $4,149/oz in Asian trading as investors locked in profits ahead of the highly anticipated US Consumer Price Index (CPI) report. The pullback was also supported by a pause in the US dollar's recent decline, with markets assessing improving diplomatic developments between the US and Iran. Comments from President Trump suggesting no further military action against Iran, alongside positive discussions between US and Qatari officials, have significantly reduced geopolitical risk premiums. This triggered a sharp decline in oil prices, easing inflation concerns and reducing demand for safe-haven assets such as gold. Gold (XAU/USD) is currently trading near $4,115, stabilizing above its 21-day SMA at $4,068 but remaining below the 50-day SMA ($4,187), 100-day SMA ($4,202), and 200-day SMA ($4,455), keeping the broader trend cautiously bearish. Immediate resistance is located in the $4,185-$4,190 zone, where the 38.2% Fibonacci retracement and 50-day SMA converge. A break above this area could open the door toward $4,283 and potentially $4,381. On the downside, support is seen at $4,068-$4,064, followed by the recent low at $3,869. The RSI remains slightly above 50, indicating improving momentum, though confirmation will depend on today's inflation data and its impact on rate expectations.



Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1223	1.1227	1.1216
GBPUSD	1.3442	1.3447	1.3432

Rates

	Last Price	Previous Day Close
O/N SOFR	3.890	#N/A N/A
1 month SOFR	3.897	3.897

Internal

USDJPY	157.91	158.1200	157.89	**3 month SOFR**	4.048	4.048
USDINR	93.82	94.14	93.69	**6 months SOFR**	4.157	4.157
USDCNY	6.6711	6.6717	6.6707	**12 month SOFR**	4.338	4.338
USDCHF	0.8195	0.8202	0.8191	**3 years IRS**	4.405	4.414
AUDUSD	0.6927	0.6930	0.6914	**5 years IRS**	4.383	4.393
NZDUSD	0.5632	0.5643	0.5624			

The US Dollar Index remained broadly stable after declining 0.5% in the previous session, while major currency pairs traded in narrow ranges, with EUR/USD holding near 1.1223 and USD/JPY around 157.92. In commodities, Brent crude extended losses and fell below USD 92 per barrel after plunging nearly 6% on Monday, its lowest level since August. Oil prices came under pressure after US President Donald Trump signaled that additional military action against Iran may not be necessary, easing geopolitical supply concerns. Gold weakened 0.7% as improving risk sentiment reduced demand for safe-haven assets, while Bitcoin and Ether also traded lower amid profit-taking in digital assets.

US Treasury yields edged lower as investors increased demand for government bonds ahead of the release of October US inflation data, which is expected to show a moderation in price pressures. The benchmark 10-year US Treasury yield declined 2 basis points to 4.86%, while Australia's 10-year government bond yield fell 3 basis points to 4.97%. In contrast, Japan's 10-year yield rose 1.5 basis points to 2.68%. Market participants are closely monitoring upcoming inflation figures for clues on the Federal Reserve's policy outlook, with lower energy prices helping ease inflation concerns. Morgan Stanley strategists noted that US Treasuries have remained the most effective hedge against equity market volatility since 2020, while gold's traditional safe-haven role has increasingly shifted toward protection against bond market risks.

	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
NFIB Small Business Optimism	15:00	98.2	97.9
ADP Weekly Employment Change	17:15		16.75k

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7550	2.346	10.29
Euro Stoxx 600	657	1.263	10.86
ShanghaiComposite Index	3663	0.055	-7.71
MSX-30	7234	-0.417	23.30
NIFTY-50	25045	0.233	-4.15
Brent Crude ($/bbl)	91.62	-1.015	52.13
Gold ($/oz.)	4113	-0.655	-4.78
DXY	102	0.015	3.40
Silver($/oz.)	53	-0.438	-25.79

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