Bank Dhofar Morning Market Update

Date: 19/08/26

Global Update

Asian markets opened sharply lower as investors exited technology and semiconductor stocks amid rising global bond yields and heightened geopolitical risks. The MSCI Asia Pacific index fell 2%, led by a 5.5% decline in South Korea, while major chipmakers including Samsung Electronics Co. and SK Hynix Inc. dropped more than 7%. The selloff followed a steep decline in the US semiconductor sector, with chip stocks across Asia also coming under pressure.Although government bonds stabilised after recent heavy selling, yields remain elevated. US 10-year Treasury yields are hovering near their highest levels since early 2025, reflecting persistent inflation concerns, significant government borrowing requirements and increased debt issuance. Higher yields continue to challenge growth-oriented sectors, particularly technology stocks.Oil prices extended gains for a fourth consecutive session, with Brent crude trading above USD 91/bbl as the US-Iran conflict shows no signs of resolution. Ongoing tensions around energy supply routes are keeping inflation concerns alive and reinforcing expectations that interest rates may remain higher for longer.In currencies, the Canadian dollar strengthened after the US administration delayed proposed 50% tariffs on Canadian goods following negotiations.
Gold rebounded from its weekly low and recovered above $4,350/oz as a softer US dollar encouraged buying interest following Tuesday's sharp decline. However, gains remain limited as investors await further guidance from the Federal Reserve minutes before taking fresh directional positions. Technically, the near-term outlook remains cautiously bearish, with prices still trading below the 50% retracement level at $4,406 and the 200-day moving average at $4,509. Momentum indicators remain constructive, with the RSI in positive territory, suggesting that while bullish momentum persists, the metal could face further corrective pressure unless it decisively breaks above resistance. Immediate support is seen at $4,292, followed by $4,152, while resistance is located at $4,406, $4,509, and $4,519.

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1576	1.1587	1.1570
GBPUSD	1.3532	1.3544	1.3523
USDJPY	159.61	159.6400	159.29
USDINR	95.71	95.74	95.71
USDCNY	6.7425	6.7438	6.7401
USDCHF	0.8123	0.8128	0.8111
AUDUSD	0.7088	0.7089	0.7069
NZDUSD	0.5876	0.5884	0.5861

The US dollar traded mixed in a cautious market environment, with the euro

Rates

	Last Price	Previous Day Close
O/N SOFR	3.660	3.660
1 month SOFR	3.647	3.647
3 month SOFR	3.723	3.723
6 months SOFR	3.821	3.821
12 month SOFR	3.952	3.952
3 years IRS	4.032	4.044
5 years IRS	4.076	4.092

Bond markets stabilised after recent heavy selling, with the US 10-year Treasury yield easing 1 bp to 4.69%, while Japan's 10-year government bond yield fell 2 bps to 2.915% and Australia's 10-year yield declined 4 bps to 5.06%. Despite the holding steady at 1.1582, while the Japanese yen strengthened 0.2% to 159.36 per dollar on safe-haven demand. The offshore yuan was little changed at 6.7426, reflecting subdued risk appetite. Sterling traded around 1.3540, supported by expectations surrounding UK inflation data, while the Australian dollar weakened to 0.7100 as the broad semiconductor selloff and softer risk sentiment weighed on commodity-linked currencies.

pullback, yields remain near multi-year highs as investors continue to assess the impact of persistent inflation, elevated government borrowing and geopolitical risks on the global interest rate outlook.

	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		3.6%
FOMC Meeting Minutes	22:00		

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7692	-0.688	12.36
Euro Stoxx 600	652	-0.687	10.08
ShanghaiComposite Index	3912	-1.958	-1.43
MSX-30	7550	0.119	28.69
NIFTY-50	24102	-0.217	-7.76
Brent Crude ($/bbl)	91.63	0.714	52.35
Gold ($/oz.)	4354	0.455	0.81
DXY	100	-0.073	1.28
Silver($/oz.)	63	-0.631	-12.14

For any Treasury related requirement, please contact:
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