

Bank Dhofar Morning Market Update



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Global Update

Asian equities saw a mild rebound as indications of easing US–Iran tensions helped stabilize risk sentiment. Markets in Japan and South Korea gained over 1%, lifting regional benchmarks and supporting a broader recovery in global equities. Reports suggesting that the US, Iran, and regional mediators are exploring a potential 45-day ceasefire improved sentiment further, while signs of resumed tanker movements through the Strait of Hormuz helped reduce immediate supply-disruption fears. US equity futures also firmed, reflecting a cautiously more optimistic tone heading into the week. Energy markets remained central to investor focus. Crude oil prices pared earlier gains but stayed elevated, reinforcing concerns around inflation as markets await US CPI data expected to show a sizable monthly increase driven largely by higher gasoline costs. Precious metals continued to weaken, with gold and silver extending losses as rising energy prices and firmer inflation expectations dampened the outlook for near-term rate cuts. Several Asian markets, including China and Hong Kong, were closed, contributing to lighter regional volumes, while renewed signals from the US administration warned of potential responses should disruptions in the key shipping route persist. Gold fell 0.5% to about \$4,650 an ounce and silver dropped 0.8% to around \$72 an ounce. Bullion has slumped more than 12% since the conflict began in late February, as spiking energy prices have stoked fears of inflation and reduced the prospects for rate cuts that typically benefit non-yielding precious metals.

The EUR/USD pair trades with mild gains around 1.1515 during the early Asian session on Monday. The stronger-than-expected US jobs data and heightened uncertainty in the Middle East boost demand for the US Dollar as a safe-haven. From a technical point of view, the 4-hour chart shows that EUR/USD is mildly bullish, as the pair holds above the 20-period Simple Moving Average (SMA) near 1.1518, which is advancing below a flatter 100-period SMA at 1.1538. The pair, however, remains below the descending 200-period SMA around 1.1640, preserving a broader corrective backdrop. At the same time, the Momentum stays above 0 and extends higher, while the Relative Strength Index near 66 keeps buying pressure in focus.

In the daily chart, EUR/USD bearish strength recedes as spot holds above the 20-day SMA, which edges lower and caps the downside near 1.1550. Price also trades beneath the flattening 100- and 200-day SMAs around 1.17, keeping the broader tone under pressure. Fourteen-day Momentum has turned back above 0 from deeply negative territory, while the Relative Strength Index (RSI) rebounds toward 50 from prior oversold readings, indicating that the latest bounce is corrective within a now-fragile downside structure.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1559	1.1572	1.1554	O/N SOFR	3.630	3.630
GBPUSD	1.3365	1.3371	1.3349	1 month SOFR	3.681	3.681
USDJPY	159.47	159.5400	159.33	3 month SOFR	3.711	3.711
USDINR	93.95	93.98	93.86	6 months SOFR	3.740	3.740
USDCNY	6.9043	6.9079	6.9015	12 month SOFR	3.781	3.781
USDCHE	0.7916	0.7924	0.7914	3 years IRS	3.668	3.643
AUDUSD	0.6947	0.6956	0.6932	5 years IRS	3.680	3.658
NZDUSD	0.5806	0.5811	0.5795	The yield on 10-year Treasuries advanced one basis point to 4.35%. Japan's 10-year yield advanced three basis points to 2.410%.		

The euro was little changed at \$1.1521. The Japanese yen was little changed at 159.54 per dollar. The offshore yuan was little changed at 6.8867 per dollar.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	6592	0.542	-3.70
*Bank Deposit Rates for 1 years			3.75	Euro Stoxx 600	587	1.417	-0.79
Bank Deposit Rates for 5 years			3.90	Shanghai Composite Index	3909	-0.577	-1.50
*Amount > 500k OMR				MSX-30	8028	1.408	36.83
Calendar				NIFTY-50	23306	1.720	-10.80
Key Data Watch	Time (GST)	Expected	Prior	Brent Crude (\$/bbl)	103.98	1.732	72.40
ISM Services Employment	18:00	51	51.8	Gold (\$/oz.)	4521	0.326	4.66
ISM Services Index	18:00	54.9	54.9			-0.021	
				DXY	100		1.28
				Silver (\$/oz.)	72	0.816	0.18

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