Bank Dhofar Morning Market Update

Date: 22/09/26

Global Update

Asian equities extended their rally, with the MSCI Asia Pacific Index rising 0.9% for a fifth consecutive session, driven by renewed optimism surrounding artificial intelligence and semiconductor demand. Technology stocks led gains after Meta's latest AI agent showed encouraging early results, boosting sentiment across the sector and lifting major chipmakers such as Samsung Electronics and SK Hynix. Additional support came from China, where Alibaba unveiled what it described as the country's most powerful AI chip to compete with Nvidia, while Tencent launched a new image-generation model, reinforcing confidence in continued AI-driven investment. US technology shares also surged, with the semiconductor index gaining more than 4%, helping the S&P 500 and Nasdaq 100 record their strongest performances since early August. In commodities, Brent crude rebounded about 0.9% to trade above USD 101 per barrel after four sessions of declines, while Bitcoin eased 1.5% following its sharp rally above USD 87,000. Currency markets saw the South Korean won lead gains across Asia as the US dollar remained largely steady. Investors are also closely watching the upcoming Trump-Xi summit, with discussions centred on artificial intelligence, trade and investment, while geopolitical developments in the Middle East remain in focus amid ongoing diplomatic efforts, increased Saudi oil exports and expectations surrounding potential US-Iran engagement at the UN General Assembly.

GBP/USD remains under pressure, consolidating above the mid-1.3300s during the Asian session after touching its lowest level since late July last week. The broader technical and fundamental backdrop continues to favour the bears, with the pair trading below both the 100-day moving average at 1.3435 and the 50% Fibonacci retracement level at 1.3407. Immediate support is seen at the 61.8% Fibonacci retracement near 1.3344, followed by stronger support at 1.3254 and the key structural level around 1.3139. On the upside, a sustained move above 1.3407 could open the door toward the 100-day SMA at 1.3435, with further resistance located at 1.3471 and 1.3549. Overall, while short-term consolidation persists, the pair's inability to reclaim key resistance levels suggests downside risks remain dominant.

Source: Reuters, Bloomberg

Currencies	Open	High	Low
EURUSD	1.1465	1.1476	1.1463
GBPUSD	1.3367	1.3385	1.3362
USDJPY	157.35	157.5700	157.27
USDINR	95.76	95.78	95.66
USDCNY	6.6958	6.6970	6.6955

Rates	Last Price	Previous Day Close
O/N SOFR	3.850	#N/A N/A
1 month SOFR	3.899	3.899
3 month SOFR	4.023	4.023
6 months SOFR	4.188	4.188
12 month SOFR	4.461	4.461

USDCHF	0.8212	0.8215	0.8203
AUDUSD	0.7118	0.7126	0.7098
NZDUSD	0.5715	0.5740	0.5694

In currency markets, movement was relatively subdued, with the euro holding steady at $1.1473, the British pound little changed at $1.3548, the Japanese yen trading near 157.50 per dollar, and the offshore yuan remaining stable at 6.6952 per dollar. The Australian dollar was also broadly unchanged at $0.7122, as investors balanced renewed optimism over AI-driven growth and risk assets against ongoing geopolitical developments and upcoming US-China talks.

3 years IRS	4.624	4.618
5 years IRS	4.561	4.562

US Treasury markets saw a modest rally, with the benchmark 10-year Treasury yield declining 4.5 basis points to 4.95%, reflecting increased demand for government bonds. Meanwhile, the 5s30s yield curve steepened by 0.8 basis points to 46 basis points, indicating that longer-dated yields fell less than shorter-dated yields, as investors assessed the outlook for economic growth, inflation, and future monetary policy.

	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	4.45

*Amount>500k OMR

Calendar

Key Data Watch	Time (GST)	Expected	Prior
ADP Weekly Employment Change	16:15		16.25k
Richmond Fed Manufact. Index	18:00	-12	-12

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7765	1.493	13.43
Euro Stoxx 600	642	1.020	8.40
ShanghaiComposite Index	3959	0.221	-0.26
MSX-30	7550	-0.392	28.70
NIFTY-50	23453	0.165	-10.24
Brent Crude ($/bbl)	101.58	1.236	68.77
Gold ($/oz.)	4337	-0.142	0.41
DXY	100	-0.072	2.07
Silver($/oz.)	66	-0.120	-7.97

For any Treasury related requirement, please contact:
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