Bank Dhofar Morning Market Update

Date: 25/08/26

Global Update

A global technology-led selloff deepened as investors reduced exposure to semiconductor and AI-related stocks ahead of a pivotal earnings week, with Asian chipmakers following Wall Street lower after Nvidia posted its longest losing streak since 2022. SK Hynix fell 4% and Samsung Electronics declined 2.2%, dragging the MSCI Asia Pacific Index down 0.4%, while futures on US and European equities edged slightly higher, reflecting cautious sentiment ahead of key corporate results and economic data. Nvidia's earnings this week are expected to provide an important gauge of demand for AI infrastructure and could determine whether the recent correction in technology shares extends further. Meanwhile, Bitcoin rallied above USD 80,000 for the first time since May as optimism returned to the cryptocurrency market. In commodities, Brent crude rebounded 0.3% to around USD 92.45/bbl after US Treasury Secretary Scott Bessent warned of potential economic measures against countries conducting business with Iran, supporting geopolitical risk premiums. The US dollar remained firm, benefiting from safe-haven demand after the US reiterated plans to further isolate Iran from the global financial system, while gold reversed earlier gains and slipped 0.4% to approximately USD 4,635/oz as investors balanced fiscal concerns against dollar strength. US Treasury markets stabilised, with the 10-year yield holding at 4.71% following reports that the Treasury may utilise its cash balance to repurchase older higher-yielding securities in an effort to reduce borrowing costs. Overall, markets remain focused on a combination of AI earnings, economic releases and geopolitical developments, with Nvidia's results likely to be the key catalyst for broader risk sentiment in the near term.

USD/JPY continues to consolidate above the 159.00 level during the Asian session, maintaining a mildly bullish bias as the pair holds above the 100-period SMA on the 4-hour chart and the 38.2% Fibonacci retracement of the recent pullback from its multi-decade high. The technical setup suggests the path of least resistance remains to the upside, with immediate resistance seen at 159.59 (50% Fibonacci retracement), followed by 160.62 (61.8% retracement). A sustained break above these levels could pave the way towards 162.09 and ultimately 163.96. On the downside, initial support is located at the 100-period SMA near 158.67 and the 38.2% Fibonacci level at 158.56, while stronger support is seen around 157.28 (23.6% retracement), where buyers are expected to re-emerge if the pair experiences a deeper correction. Overall, as long as USD/JPY remains above the 158.50-158.70 support zone, the near-term outlook remains constructive with upside targets centred on the 159.60 and 160.60 resistance levels.

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1664	1.1671	1.1655
GBPUSD	1.3632	1.3641	1.3624
USDJPY	159.11	159.4000	159.05
USDINR	95.73	95.74	95.70
USDCNY	6.7211	6.7262	6.7210
USDCHF	0.8023	0.8039	0.8020
AUDUSD	0.7150	0.7159	0.7146

Rates

	Last Price	Previous Day Close
O/N SOFR	3.650	3.650
1 month SOFR	3.667	3.667
3 month SOFR	3.743	3.743
6 months SOFR	3.843	3.843
12 month SOFR	3.986	3.986
3 years IRS	4.114	4.100
5 years IRS	4.150	4.134

NZDUSD	0.5960	0.5968	0.5955

The euro was little changed at $1.1661.The Japanese yen fell 0.1% to 159.32 per dollar.The offshore yuan was little changed at 6.7233 per dollar

The yield on 10-year Treasuries advanced two basis points to 4.71%.Japan’s 10-year yield advanced one basis point to 2.890%.Australia’s 10-year yield advanced two basis points to 5.03%.

	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
ADP Weekly Employment Change	16:15		9.5k
Philadelphia Fed Non-Manufacturing Activity	16:30	3.6	7.4

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7653	-0.280	11.79
Euro Stoxx 600	654	0.005	10.47
ShanghaiComposite Index	3876	-0.145	-2.33
MSX-30	7501	-0.111	27.86
NIFTY-50	24139	-0.331	-7.62
Brent Crude ($/bbl)	92.28	0.130	53.38
Gold ($/oz.)	4626	-0.564	7.10
DXY	99	0.065	0.76
Silver($/oz.)	68	-1.659	-5.40

For any Treasury related requirement, please contact:
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