

Bank Dhofar Morning Market Update



Date: 10/02/26

Global Update

Asian equities extended their advance to new records as a rebound in US technology shares helped ease pressure on markets following recent concerns over heavy AI-related spending. The MSCI Asia Pacific Index rose 1.1%, with tech names like SoftBank and TSMC contributing to the gains, while Japan’s Nikkei 225 climbed 2.5% to a fresh all-time high. The momentum, however, faces an early test with US and European equity futures edging slightly lower after the S&P 500 closed near a record. In currencies and commodities, the yuan strengthened to its strongest level since May 2023 after China reportedly asked banks to curb their US Treasury holdings, while the dollar weakened for a third straight session. Gold slipped as investors took profits following two days of gains after its recent sharp selloff. Overall, easing anxiety around the AI trade is helping sentiment stabilize, even as traders now look to upcoming US economic data to guide expectations for the Federal Reserve’s next interest-rate steps. The jobs report — due Wednesday — is expected to show payrolls rose 68,000 in January. The unemployment rate is seen steady at 4.4%. The data will also include historical revisions that are anticipated to show a sizable downward adjustment to payrolls in the year through March 2025.

In Friday’s consumer price index, economists will look for more evidence that inflation is on a downward trend. Before that, figures on Tuesday are projected to show solid retail sales. Those releases could shape expectations for the Fed’s next move on interest rates. Traders are broadly expecting policymakers to leave rates on hold when they meet next month as they did in January when they voted to keep them at 3.5% to 3.75%.

The GBP/USD pair finds some support near the 1.3600 mark, representing the 50% Fibonacci retracement level of the upswing from the January swing low, which should now act as a key pivotal point for traders. Meanwhile, the recent breakdown below the 100-hour Simple Moving Average (SMA) favors bears. The Moving Average Convergence Divergence (MACD) remains below the zero line with the MACD line under the Signal line and a contracting histogram, suggesting weak bearish momentum. The Relative Strength Index (RSI) sits near 32 (oversold threshold), hinting that downside pressure is stretched. Meanwhile, the 61.8% Fib. retracement at 1.3548 underpins the downside, and a break would warn of a deeper deterioration.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1914	1.1917	1.1897	O/N SOFR	3.640	#N/A N/A
GBPUSD	1.3693	1.3697	1.3672	1 month SOFR	3.665	3.665

USDJPY	155.88	156.2900	155.15	3 month SOFR	3.640	3.640
USDINR	90.71	90.78	90.67	6 months SOFR	3.579	3.579
USDCNY	6.9216	6.9216	6.9096	12 month SOFR	3.434	3.434
USDCHF	0.7662	0.7677	0.7657	3 years IRS	3.331	3.343
AUDUSD	0.7093	0.7095	0.7073	5 years IRS	3.454	3.468
NZDUSD	0.6055	0.6056	0.6036			

USD/JPY falls toward 155 while EUR/USD is steady to remain above 1.19. AUD/USD weakens to hold under 0.71 after soft consumer and business confidence data spur profit taking from leveraged Aussie longs, according to Asia-based FX traders. GBP/USD is little changed under 1.37

US 2-year yields slip 1bp to 3.47% while 10-year yields fall 2bps to 4.18%. In Monday's US trading session 2-and 10-year yields ended down about 1bp. The yield on 10-year Treasuries declined two basis points to 4.19%. Japan's 10-year yield declined 2.5 basis points to 2.250%. Australia's 10-year yield declined five basis points to 4.82%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	6965	0.469	1.74
*Bank Deposit Rates for 1 years			3.75	Euro Stoxx 600	621	0.695	4.93
				Shanghai Composite Index	4122	-0.018	3.87
Bank Deposit Rates for 5 years			3.75	MSX-30	6761	2.984	15.24
*Amount>500k OMR				NIFTY-50	25951	0.323	-0.68
Calendar				Brent Crude (\$/bbl)	68.91	-0.174	13.94
				Gold (\$/oz.)	5024	-0.673	16.31
Key Data Watch	Time (GST)	Expected	Prior			0.043	
NFIB Small Business Optimism	15:00	99.8	99.5	DXY	97		-1.49
ADP Weekly Employment Change	17:15		7.75k	Silver(\$/oz.)	81	-2.434	13.54

For any Treasury related requirement, please contact:

Telephone: +968 2265 2721/2722/2731/2716

Disclaimer: Any information contained in this document should not be construed as an offer, invitation, solicitation, or advice of any kind to buy or sell any financial products or services offered by Bank Dhofar S.A.O.G ("Bank Dhofar S.A.O.G"), unless specifically stated so. Foreign exchange and derivative transactions involve numerous risks including among others, market, counterparty default and illiquidity risk. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You may consider asking advice from your advisers in making this assessment. No part of this report/document may be copied or redistributed by any recipient for any purpose without Bank Dhofar S.A.O.G's prior written consent. All information contained in this document has been obtained from official sources believed to be accurate and reliable and Bank Dhofar S.A.O.G makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Opinions, estimates and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Bank Dhofar S.A.O.G and are subject to change without notice.