

Bank Dhofar Morning Market Update



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Global Update

Global markets advanced and oil prices retreated after US President Donald Trump indicated openness to restarting negotiations with Iran, raising hopes that a potential agreement could ease Middle East tensions. The MSCI All Country World Index gained 0.4%, putting it on track for an eighth consecutive advance — its longest winning streak since September. Asian equities followed Wall Street higher, with the regional index climbing 1.7%, supported by expectations that calmer geopolitics could drive oil prices lower and bolster economic growth. Technology stocks led the rally. Brent crude slipped 1.3% to \$98.07 a barrel as signs emerged that Washington and Tehran may return to the negotiating table, even after the US began a blockade of the Strait of Hormuz. The US dollar weakened against most major peers, while Treasuries rose, supported by reduced inflation pressures linked to softer oil prices. Investor sentiment improved on indications that US-Iran talks remain active and could gain momentum, strengthening optimism around a diplomatic breakthrough despite the ongoing blockade. Markets also view the blockade as a selective move aimed at limiting Iran's oil income while ultimately safeguarding shipping lanes, reinforcing expectations that energy supply disruptions may be temporary. US government bonds edged higher, with the 10-year Treasury yield down one basis point to 4.28%, as cheaper energy eased inflation concerns. Gold rebounded after two sessions of losses to trade near \$4,775 an ounce, while Bitcoin climbed to around \$74,400. Copper prices rose to their highest level in over a month, reflecting improving growth sentiment. Technology stocks remained the standout performers. MSCI's Asia-Pacific technology index surged 3.8%, with Japan's Kioxia Holdings jumping 15%. Taiwan's Taiex Index hit a record high as investors rotated back into AI-related names, viewed as less vulnerable to geopolitical risks. South Korea's Kospi rose 3.3%, while improving sentiment helped the S&P 500 recover all losses linked to the conflict with Iran.

GBP/USD opened the new week on the soft side, dipping to a session low near 1.3380, but staged a strong recovery through Monday's session to close around 1.3510, up 0.35% on the day. The move pushed the pair to its highest level since late February, decisively reclaiming the 1.3500 handle for the first time since the sell-off that followed the outbreak of the Iran conflict. The near-term bias turns mildly bullish as the GBP/USD pair holds just above the 38.2% Fibonacci retracement level of the January-March downfall. Spot prices now test the downward-sloping 200-day Simple Moving Average (SMA) at 1.3415 from above, suggesting emerging dip-buying interest around this long-term reference. Momentum improves, with the Moving Average Convergence Divergence (MACD) line crossing above its signal and edging back toward the zero line, while the Relative Strength Index (RSI) at 55 signals modest bullish momentum rather than overbought conditions.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1759	1.1769	1.1755	O/N SOFR	3.610	3.610
GBPUSD	1.3506	1.3519	1.3500	1 month SOFR	3.649	3.649
USDJPY	159.45	159.4600	159.06	3 month SOFR	3.669	3.669
USDINR	93.26	93.41	93.26	6 months SOFR	3.687	3.687
USDCNY	6.8208	6.8212	6.8172	12 month SOFR	3.694	3.694
USDCHE	0.7838	0.7839	0.7829	3 years IRS	3.553	3.561
AUDUSD	0.7095	0.7103	0.7079	5 years IRS	3.595	3.604
NZDUSD	0.5868	0.5873	0.5857			

The euro was little changed at \$1.1768. The Japanese yen rose 0.2% to 159.08 per dollar. The offshore yuan was little changed at 6.8151 per dollar.

Treasuries rose with the yield on the 10-year falling one basis point to 4.28% as cheaper oil helps contain inflation. The yield on 10-year Treasuries declined one basis point to 4.28%. Japan's 10-year yield declined three basis points to 2.435%. Australia's 10-year yield declined nine basis points to 4.93%.

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25	S&P 500	6886	1.017	0.60
O/N OMIBOR			4	Euro Stoxx 600	614	-0.156	3.66
*Bank Deposit Rates for 1 years			3.75	Shanghai Composite Index	4010	0.549	1.05
Bank Deposit Rates for 5 years			3.90	MSX-30	8212	0.401	39.97
*Amount > 500k OMR				NIFTY-50	23843	-0.865	-8.75
Calendar				Brent Crude (\$/bbl)	97.89	-1.469	62.49
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4773	0.687	10.50
NFIB Small Business Optimism	14:00	97.9	98.8	DXY	98	-0.054	-0.01
ADP Weekly Employment Change	16:15		26.00	Silver (\$/oz.)	77	1.948	7.56

For any Treasury related requirement, please contact:
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