

Bank Dhofar Morning Market Update



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Global Update

Stocks pulled back from record levels after a weak forecast from Broadcom Inc. dented momentum in the artificial-intelligence trade that has driven markets higher this year. MSCI's index for Asian shares fell 1.2%, snapping a four-day rally that pushed it to an all-time high. South Korea's Kospi, a bellwether for AI investments and the world's best-performing gauge this year, dropped 1%. Nasdaq 100 futures retreated 0.5% as Broadcom tumbled 14% in extended trading after its outlook failed to impress investors. Asian losses followed a pullback on Wall Street, where the S&P 500 snapped a nine-day winning streak as renewed US-Iran clashes damped risk appetite. European shares were set for losses as well. As sentiment weakened, Bitcoin slid to trade around \$64,000, the lowest level since February. Some relief emerged after the US announced a ceasefire between Israel and Lebanon, helping Brent crude halt a three-day rally and fall almost 1% to about \$97 a barrel. In currencies, the yen strengthened against the dollar as Bank of Japan officials are set to consider a quarter percentage point increase to the benchmark interest rate this month and see the possibility of a further rate hike later this year, according to people familiar with the matter.

Elsewhere, the dollar was a touch weaker against most of its Group-of-10 peers. In Asia, the Indonesian rupiah weakened to the psychological level of 18,000 per dollar, putting investors on watch for a stronger response from the central bank. Elevated oil prices and signs of resilience in the US labor market sent Treasuries lower Wednesday, as traders increased bets that the Federal Reserve's next move will be to raise interest rates. Bonds gave up some of those losses Thursday with the Treasury 10-year yield falling two basis points to 4.48%. Meanwhile, data showed US companies added the most jobs since January 2025, suggesting hiring momentum remains intact despite higher energy costs. If confirmed by Friday's payrolls report, the figures may reinforce expectations that the Fed is more likely to raise rates in the months ahead. Investors will get another read on the labor market on Thursday with weekly jobless claims, ahead of the government's monthly employment report on Friday. Fed Bank of Dallas President Lorie Logan said policymakers may need to raise rates later this year to bring inflation back to target. Separately, New York Fed President John Williams told Yahoo Finance that the outlook for rates remains uncertain. Bullion rose as much as 1% to top \$4,475 an ounce, largely reversing a decline in the previous session, as dip-buyers returned to the market



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1597	1.1613	1.1595	O/N SOFR	3.630	3.630
GBPUSD	1.3418	1.3433	1.3412	1 month SOFR	3.619	3.619
USDJPY	160.07	160.0800	159.61	3 month SOFR	3.657	3.657
USDINR	95.71	95.75	95.60	6 months SOFR	3.720	3.720
USDCNY	6.7760	6.7793	6.7735	12 month SOFR	3.865	3.865
USDCHF	0.7921	0.7923	0.7904	3 years IRS	3.926	3.933
AUDUSD	0.7129	0.7140	0.7122	5 years IRS	3.933	3.939
NZDUSD	0.5861	0.5877	0.5859	S&P 500 futures fell 0.3% as of 1:51 p.m. Tokyo time. Japan's Topix fell 0.9%. Australia's S&P/ASX 200 fell 1.2%. Hong Kong's Hang Seng fell 1.4%. The Shanghai Composite fell 0.4%. Euro Stoxx 50 futures fell 0.3%. The yield on 10-year Treasuries declined two basis points to 4.48%. Japan's 10-year yield advanced three basis points to 2.670%. Australia's 10-year yield was little changed at 4.92%		

The Bloomberg Dollar Spot Index was little changed. The euro rose 0.1% to \$1.1609. The Japanese yen rose 0.1% to 159.86 per dollar. The offshore yuan was little changed at 6.7767 per dollar. Bitcoin fell 0.9% to \$64,312.09. Ether rose 1.4% to \$1,803.53

Global Markets					
	Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate	4.25				
O/N OMIBOR	4	S&P 500	7554	-0.737	10.35
*Bank Deposit Rates for 1 years	4.45	Euro Stoxx 600	621	-0.664	4.90
		Shanghai Composite Index	4059	-0.603	2.28
Bank Deposit Rates for 5 years	4.00	MSX-30	7671	-1.296	30.76
		NIFTY-50	23391	-0.063	-10.48

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
Initial Jobless Claims	16:30	211k	209k
Gold and Forex Reserve	17:00	--	\$753.8b

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