

Bank Dhofar Morning Market Update



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Global Update

Asian equities climbed alongside a global rally in technology stocks, as worries over the disruptive impact of artificial intelligence began to fade. The MSCI Asia Pacific Index advanced 1.1%, marking its third straight day of gains, while South Korea's market, often seen as a proxy for AI-related investment sentiment, jumped 2% to a new all-time high. In the U.S., a recovery in previously pressured software stocks helped lift major indices ahead of Nvidia's highly anticipated earnings release. The Bloomberg dollar index slipped by 0.2%, and U.S. equity futures eased off earlier highs as President Donald Trump delivered his State of the Union address.

Meanwhile, U.S. Treasuries weakened slightly, with the 10-year yield inching up by one basis point to 4.04%, reflecting a modest shift toward risk-taking in global markets. Concerns around tariffs, geopolitics, a Citrini Research report, and fears of disruption from a new Anthropic tool triggered sharp market volatility earlier in the week, with AI-driven selloffs hitting sectors from software to cybersecurity. Sentiment improved slightly by Tuesday. The Bloomberg Dollar Spot Index slipped during Trump's State of the Union speech, where he criticized the Supreme Court for overturning his global tariffs and vowed to reinstate broad import taxes through other means — even suggesting the revenue could replace income taxes. South Korea's market climbed to \$3.76 trillion, surpassing France and becoming the ninth-largest globally. The yen weakened after two academics were nominated to the BOJ board. Meanwhile, gold and silver extended gains, and Bitcoin rose about 3% to around \$66,000.

Gold finds fresh demand and regains the \$5,150 level following the previous day's pullback from the monthly peak as traders assess Trump's State of the Union address. Trade-related uncertainties and geopolitical risks seem to act as a tailwind for the safe-haven bullion. The 21-day Simple Moving Average (SMA) rises above the 50-, 100-, and 200-day SMAs, with all slopes advancing, underscoring a firm bullish bias. Price holds above these trend markers, with the 21-day SMA at \$5,029.61 offering nearby dynamic support. The 14-day RSI prints at 59.50, just above the midline, reinforcing steady upside momentum. Measured from the \$5,597.89 high to the \$4,401.99 low, price steadies between the 61.8% retracement at \$5,141.05 and the 78.6% retracement at \$5,341.96, with the latter capping gains. A daily close above the 78.6% retracement could open the path toward the prior high, while rejection there would risk a pullback toward the 50-day SMA at \$4,742.30. As long as price respects the short-term averages, the near-term tone favors an extension within the retracement band before a directional break develops.



Source: Reuters, Bloomberg

Currencies			Rates			
	Open	High	Low	Last Price	Previous Day Close	
EURUSD	1.1772	1.1794	1.1772	O/N SOFR	3.660	3.660
GBPUSD	1.3489	1.3521	1.3489	1 month SOFR	3.674	3.674
USDJPY	155.87	156.0400	155.35	3 month SOFR	3.669	3.669
USDINR	90.94	90.94	90.89	6 months SOFR	3.619	3.619
USDCNY	6.8799	6.8800	6.8713	12 month SOFR	3.460	3.460
USDCHF	0.7740	0.7744	0.7727	3 years IRS	3.250	3.241
AUDUSD	0.7058	0.7110	0.7057	5 years IRS	3.315	3.303
NZDUSD	0.5966	0.5981	0.5961			

The euro rose 0.1% to \$1.1788. The Japanese yen was little changed at 155.91 per dollar. The offshore yuan rose 0.2% to 6.8686 per dollar. AUD/USD advances to hover around 0.71. GBP/USD climbs back above 1.35.

US 2-year yields are steady at 3.46% while 10-year yields gain 2bps to 4.05%. Japan's 10-year yield declined one basis point to 2.095%. Australia's 10-year yield advanced two basis points to 4.72%.

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25	S&P 500	6890	0.765	0.65
O/N OMIBOR			4	Euro Stoxx 600	629	0.229	6.24
*Bank Deposit Rates for 1 years			3.75	Shanghai Composite Index	4167	1.198	4.99
Bank Deposit Rates for 5 years			3.75	MSX-30	7292	1.605	24.29
*Assess=500k OMR				NIFTY-50	25584	0.627	-2.09
Calendar				Brent Crude (\$/bbl)	71.26	0.664	17.77
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	5180	0.705	19.93
MBA Mortgage Applications	16:00		2.8%			-0.088	
				DXY	98		-0.57
				Silver(\$/oz.)	89	2.503	24.66

For any Treasury related requirement, please contact:
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