

# Bank Dhofar Morning Market Update



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## Global Update

Asian equities advanced as investors doubled down on the AI trade, largely brushing aside Middle East tensions even after President Trump rejected Iran's latest peace proposal. MSCI Asia Pacific rose 0.6%, led by technology, with South Korea jumping 4.5% to a record and Asian chipmakers hitting fresh highs after the Philadelphia Semiconductor Index surged on Friday; Nintendo, however, slid up to 10% on concerns over higher chip costs. US equity futures were little changed after record closes, while European markets pointed to a subdued open. Geopolitical risks lifted Brent crude over 4% to above \$105/bbl, pushing the 10-year US Treasury yield four basis points higher to 4.39%, strengthening the dollar against most G10 peers and weighing on gold at around \$4,700/oz. Despite energy and inflation worries, global equities have erased war-driven losses, supported by resilient US data, strong earnings, and momentum-driven flows into AI beneficiaries, as markets increasingly price an eventual—though uneven—de-escalation, with attention now turning to US inflation data and the upcoming Trump–Xi meeting.

EUR/USD remains constructive in the near term, with the advance of the past two weeks contained within a rising channel and price holding above the 200-period SMA on the 4-hour chart, reinforcing the bullish structure. However, momentum signals are mixed, as the RSI sits just below 50, pointing to consolidation rather than overbought conditions, while the MACD has slipped marginally into negative territory, suggesting waning upside momentum despite trend support holding. As a result, any further gains are likely to face initial resistance near the upper channel boundary around 1.1802, with a clear break needed to unlock a stronger bullish extension. On the downside, immediate support lies at 1.1730, followed by the lower channel boundary near 1.1693; a sustained break below this zone would expose the 200-period SMA at 1.1670 and increase the risk of a deeper corrective phase within the channel.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1780	1.1795	1.1744	O/N SOFR	3.600	3.600
GBPUSD	1.3618	1.3630	1.3551	1 month SOFR	3.632	3.632
USDJPY	156.61	157.1800	156.45	3 month SOFR	3.643	3.643
USDINR	94.89	95.17	94.88	6 months SOFR	3.658	3.658
USDCNY	6.8000	6.8000	6.7952	12 month SOFR	3.725	3.725
USDCHF	0.7786	0.7794	0.7768	3 years IRS	3.737	3.700
AUDUSD	0.7226	0.7255	0.7211	5 years IRS	3.765	3.727
NZDUSD	0.5949	0.5962	0.5935	US 2-year yields are up 4bps to 3.92% while 10-year yields gain 3bps to 4.39%. In Friday's US trading session 2- and 10-year yields ended down 3bps. Japan's 10-year yield advanced 2.5 basis points to 2.495% Australia's 10-year yield was little changed at 4.98%		

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25	S&P 500	7399	0.843	8.08
O/N OMIBOR			4	Euro Stoxx 600	612	-0.694	3.37
*Bank Deposit Rates for 1 years			4.45	Shanghai Composite Index	4219	0.937	6.31
Bank Deposit Rates for 5 years			4.00	MSX-30	8331	-0.232	42.00
*Amount > 500k OMR				NIFTY-50	23880	-1.225	-8.61
Calendar				Brent Crude (\$/bbl)	105.75	4.433	75.66
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4673	-0.892	8.19
Existing Home Sales	18:00	4.05m	3.98m	DXY	98	0.223	-0.21
Existing Home Sales MoM	13:30	2.0%	-3.6%	Silver (\$/oz.)	80	0.078	12.19

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