

Bank Dhofar Morning Market Update



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Global Update

Stocks edged lower alongside bonds and crude oil climbed as persistent tensions in the Middle East and conflicting signals from the US and Iran about their ceasefire talks sapped sentiment. Asian shares fell 0.6%, snapping a two-day rise, while bonds retreated as elevated oil prices threatened to stoke inflation and slow economic growth. Equity-index futures for the US and Europe wavered. The MSCI All Country World Index — the broadest measure of global equities — is set for its first drop this week, indicating the optimism at the start of the week may be fading. Brent crude climbed to a session high of \$104.12 a barrel, rebounding from the previous session when reports of US-Iran talks eased market concerns. Since then, while the US insisted talks were ongoing, Iran rejected outreach by President Donald Trump. Oil has been volatile this week, with losses typically followed by gains the following day. Yields on benchmark 10-year Treasuries rose two basis points to 4.35% as higher oil prices stoked inflation concerns, reinforcing expectations that policymakers may keep rates elevated or even consider tightening. Bonds fell in Japan and Australia too.

The Indian Rupee (INR) holds slight early gains against the US Dollar (USD) on Wednesday, with the USD/INR pair retracing to near 94.30 from the lifetime high of 94.75 posted the previous day. The Indian currency gains temporary ground as oil prices come under pressure, following reports that the United States (US) is seeking a month-long ceasefire with Iran and has delivered a 15-point deal proposal, reflecting meaningful signs of de-escalation in an over three-week-long war. Also, a Reuters report showed that the Indian central bank likely intervened to support the Indian Rupee. Currencies from countries that rely heavily on oil imports to meet their energy needs get benefited by easing oil prices. WTI oil price trades marginally higher in the Asian trade around \$88.25, but has come down significantly from its recent highs of \$100.00.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1559	1.1572	1.1554	O/N SOFR	3.630	3.630
GBPUSD	1.3365	1.3371	1.3349	1 month SOFR	3.681	3.681
USDJPY	159.47	159.5400	159.33	3 month SOFR	3.711	3.711
USDINR	93.95	93.98	93.86	6 months SOFR	3.740	3.740
USDCNY	6.9043	6.9079	6.9015	12 month SOFR	3.781	3.781
USDCHF	0.7916	0.7924	0.7914	3 years IRS	3.668	3.643
AUDUSD	0.6947	0.6955	0.6932	5 years IRS	3.680	3.658
NZDUSD	0.5806	0.5811	0.5795	S&P 500 futures were little changed as of 1 p.m. Tokyo time. Japan's Topix fell 0.4%. Australia's S&P/ASX 200 fell 0.1%. Hong Kong's Hang Seng fell 1.4%. The Shanghai Composite fell 0.6%. Euro Stoxx 50 futures fell 0.2%. The yield on 10-year Treasuries advanced two basis points to 4.35%. Japan's 10-year yield advanced two basis points to 2.270%. Australia's 10-year yield advanced four basis points to 5.00%		

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25	S&P 500	6592	0.542	-3.70
O/N OMIBOR			4	Euro Stoxx 600	587	1.417	-0.79
*Bank Deposit Rates for 1 years			3.75	Shanghai Composite Index	3909	-0.577	-1.50
Bank Deposit Rates for 5 years			3.90	MSX-30	8028	1.408	36.83
*Amount>500k OMR				NIFTY-50	23306	1.720	-10.80
Calendar				Brent Crude (\$/bbl)	103.96	1.712	72.36
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4521	0.332	4.67
Initial Jobless Claims (US)	16:30	215k	213k	DXY	100	-0.022	1.28
Continuing Claims (US)	16:30	1852k	1850k	Silver(\$/oz.)	72	0.827	0.19

For any Treasury related requirement, please contact:
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