

Bank Dhofar Morning Market Update



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Global Update

A gauge of Asian stocks was just 0.1% higher and moves were mixed across the region. Japan's Nikkei 225 was up 1.1%, buoyed by a weaker yen. Chinese stocks swung between small losses and gains. Investors in Asia struck a cautious tone on Monday, as an escalating conflict between Israel and Iran pushed oil prices higher and raised wider questions about the long-run impact. A major concern is that the conflict leads to a prolonged disruption to the supply of oil. That could weigh on the global economy and potentially fuel a round of inflation just as many central banks pivot toward easing. Brent crude rose as much as 5.5% in early trading before paring most of its gain. The mixed picture from markets is partly because investors are weighing up local news against broader questions around the conflict. Japanese equities were helped by a mix of a weakening yen, which may boost companies with overseas revenues, and a rally in defense stocks after reports that Japan and the EU would meet to discuss cooperation measures for the defense industry. The yen was around 0.3% weaker against the dollar. Retail sales in China rose 6.4% in May, a much faster expansion than the estimated 4.9%. That figure came alongside a raft of data from the world's second largest economy, which painted a mixed picture. But the surprise lifted sentiment, and helped Chinese stocks in Hong Kong pare earlier losses.

EUR/USD rose to 1.1630 last week but retreated since then. Initial bias stays neutral this week for consolidations. The break of 1.1572 suggest that rally from 1.0176 is resuming. Above 1.1630 will target 61.8% projection of 1.0176 to 1.1572 from 1.1064 at 1.1927. However, break of 1.1372 support will indicate short term topping, and turn bias to the downside for deeper pullback. In the bigger picture, rise from 0.9534 long term bottom could be correcting the multi-decade downtrend or the start of a long term up trend.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1545	1.1548	1.1524	O/N SOFR	4.280	4.280
GBPUSD	1.3578	1.3581	1.3535	1 month SOFR	4.314	4.314
USDJPY	144.03	144.7500	143.90	3 month SOFR	4.310	4.310
USDINR	86.18	86.23	86.13	6 months SOFR	4.216	4.216
USDCNY	7.1855	7.1872	7.1839	12 month SOFR	4.003	4.003
USDCHF	0.8120	0.8132	0.8103	3 years IRS	3.654	3.626
AUDUSD	0.6490	0.6496	0.6467	5 years IRS	3.670	3.639
NZDUSD	0.6020	0.6026	0.6004			

US 2-year yields are up 1 basis point to 3.96% while 10-year yields gain 2bps to 4.42%. In Friday's US trading session, 2- and 10-year yields ended up 4bps. Australia's 10 year yield advanced eight basis points, more than

The euro fell 0.2% to \$1.1527. The Japanese yen fell 0.3% to 144.48 per

dollar.The offshore yuan was little changed at 7.1859 against dollar.The euro fell 0.2% to \$1.1527.The British pound fell 0.3% to \$1.3536.AUD/USD declines to hold below 0.65.

up 40ps.Australia's 10-year yield advanced eight basis points, more than any closing advance since April 9.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.25	S&P 500	5977	-1.130	1.62
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	545	-0.891	7.35
				ShanghaiComposite Index	3379	0.053	0.81
Bank Deposit Rates for 5 years			4.50	MSX-30	4504	-0.866	-1.59
*Amount>500k OMR				NIFTY-50	24728	0.039	4.58
Calendar				Brent Crude (\$/bbl)	75.05	1.105	2.89
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3430	-0.067	30.69
Empire Manufacturing	16:30	-6.3	-9.2	DXY	98	0.105	-9.40
Retail Sales Advance MoM	16:30	-0.6%	0.1%				
				Silver(\$/oz.)	36	-0.192	25.36
For any Treasury related requirement, please contact:							
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