

Bank Dhofar Morning Market Update



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Global Update

Equities fell as a selloff in chip stocks spread to South Korea, reviving concerns the blistering rally in artificial intelligence shares this year may have gone too far, too fast. Brent slipped to the lowest since before the start of the Middle East war. The MSCI All Country World Index dropped 0.2%, with South Korea's Kospi — which contains many companies involved in AI infrastructure buildout — slumping 4.5%. Meta Platforms Inc.'s reported plans for a cloud infrastructure business weighed on the mood. Asian chipmakers also got hit as Apple Inc. is in talks to buy chips from two Chinese semiconductor makers, according to people familiar with the matter. "AI-related stocks have moved up a lot and expectations are high," said Joshua Crabb, head of Asia Pacific equities at Robeco in Hong Kong. "So we get periodic selloffs and any bad news triggers profit taking." Equity-index futures for Wall Street gauges pared earlier gains to trade little changed on the session. European shares were set for a tepid start at the open after MSCI's Asia Pacific gauge dropped 0.7%. Elsewhere, Brent fell as much as 1.3% to \$70.63 a barrel, the lowest level since Feb. 27, as flows through the vital Strait of Hormuz climbed. Treasuries held their losses from Wednesday, while the dollar steadied. Gold rose for a second day to trade above \$4,060 an ounce after Federal Reserve Chairman Kevin Warsh said price risks have come down in recent weeks.

USD/JPY continues its downside after pulling back from 40-year highs, trading around 162.40 during the Asian hours on Thursday. The pair loses ground as the Japanese Yen (JPY) captures support from growing trader expectations of government intervention. According to Reuters, sources familiar with the matter indicate that Japanese officials are abandoning their traditional habit of telegraphing intervention risks. Instead, they are shifting toward a more targeted, stealth campaign designed to squeeze speculators and drive up the cost of betting against the weakened currency. Japan's Ministry of Finance (MOF) may step into the market abruptly to clear out speculative short positions, deliberately avoiding any public "line in the sand" exchange rate that might trigger action. Underscoring this shift, Finance Minister Satsuki Katayama reiterated warnings that authorities remain fully prepared to respond appropriately to currency market developments at any given time.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1377	1.1389	1.1375	O/N SOFR	3.680	3.640
GBPUSD	1.3275	1.3295	1.3268	1 month SOFR	3.644	3.644
USDJPY	162.58	162.6100	162.32	3 month SOFR	3.732	3.732
USDINR	94.93	95.21	94.93	6 months SOFR	3.846	3.846
USDCNY	6.7911	6.7921	6.7836	12 month SOFR	3.994	3.994
USDCHF	0.8096	0.8098	0.8084	3 years IRS	3.897	3.884
AUDUSD	0.6893	0.6902	0.6884	5 years IRS	3.855	3.840
NZDUSD	0.5672	0.5685	0.5668			

The euro was little changed at \$1.1387. The Japanese yen was little changed at 162.43 per dollar. The offshore yuan was little changed at 6.7883 per dollar. The Australian dollar was little changed at \$0.6894. West Texas Intermediate crude fell 1% to \$67.88 a barrel. Spot gold rose 0.7% to \$4,060.82 an ounce.

S&P 500 futures were little changed as of 2:01 p.m. Tokyo time. Japan's Topix rose 0.5%. Australia's S&P/ASX 200 fell 0.1%. Hong Kong's Hang Seng rose 1%. The Shanghai Composite fell 0.9%. Euro Stoxx 50 futures were little changed. The yield on 10-year Treasuries was little changed at 4.49%. Japan's 10-year yield advanced four basis points to 2.745%. Australia's 10-year yield advanced three basis points to 4.82%

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25	S&P 500	7483	-0.215	9.32
O/N OMIBOR			4	Euro Stoxx 600	639	-0.377	7.96
*Bank Deposit Rates for 1 years			4.45	Shanghai Composite Index	4052	-1.461	2.10
Bank Deposit Rates for 5 years			4.00	MSX-30	7561	0.709	28.88
*Amount>500k OMR				NIFTY-50	24096	0.375	-7.78
Calendar				Brent Crude (\$/bbl)	70.81	-1.048	17.70
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4066	0.884	-5.86
US unemployment Rate	16:30	4.3%	4.3%	DXY	101	-0.054	3.07
US Initial Jobless Claims	16:30	225k	226k	Silver(\$/oz.)	60	1.134	-16.53

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