

Bank Dhofar Morning Market Update



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Global Update

US equity-index futures rose after reports the US and Iran backed away from a fresh escalation of their conflict, easing concerns over the fragile ceasefire underpinning peace talks. Contracts for the S&P 500 Index and the Nasdaq 100 advanced 0.6%, although that was still down from an earlier gain of as much as 1%. The gains came after Axios reported that the US and Iran agreed to halt strikes and meet this week in Qatar to resume talks over the Strait of Hormuz and other issues to end the war, citing an unidentified US official. European shares were also set for a modest gain at the open. MSCI's Asia Pacific share benchmark was little changed as investors rotated away from heavily weighted tech hardware shares such as Samsung Electronics Co. and SK Hynix Inc. Eight of the index's 11 subgroups gained. Brent crude oil eased from its session high to trade about 0.6% higher at \$72.40 a barrel. The Middle East conflict had intensified since Thursday, with Iran striking a container ship, a vessel carrying Qatari oil, and military bases in Kuwait and Bahrain, prompting multiple US retaliatory strikes. Hopes for a lasting peace between the US and Iran and optimism over the tech trade have put global stocks on track for their best quarter since 2020. While a strong first half is typically a good sign for the rest of the year, investors are grappling with a series of risks, from the durability of the artificial intelligence trade to the threat of rising interest rates as well as accelerating government spending.

Markets are on high alert for currency intervention from Japanese officials, which might support the Japanese Yen (JPY) and act as a headwind for the pair. Japan's Chief Cabinet Secretary Minoru Kihara said last week that officials will take appropriate action against the foreign exchange moves if needed. The Bank of Japan (BoJ) hawkish board member Naoki Tamura stated last week that the central bank should raise interest rates once every few months and stand ready to speed up the pace of hikes, highlighting the BoJ's focus on inflationary risks from the Middle East conflict.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1392	1.1395	1.1380	O/N SOFR	3.640	3.640
GBPUSD	1.3222	1.3226	1.3191	1 month SOFR	3.644	3.644
USDJPY	161.66	161.8800	161.61	3 month SOFR	3.732	3.732
USDINR	94.36	94.40	94.25	6 months SOFR	3.846	3.846
USDCNY	6.8034	6.8048	6.7962	12 month SOFR	3.994	3.994
USDCHF	0.8088	0.8104	0.8084	3 years IRS	3.897	3.884
AUDUSD	0.6897	0.6911	0.6881	5 years IRS	3.855	3.840
NZDUSD	0.5670	0.5673	0.5632	S&P 500 futures rose 0.6% as of 1:01 p.m. Tokyo time. Nikkei 225 futures (OSE) fell 0.6%. Japan's Topix was little changed. Australia's S&P/ASX 200 rose 0.4%. Hong Kong's Hang Seng rose 2.1%. The Shanghai Composite rose 0.2%. Euro Stoxx 50 futures rose 0.1%. The yield on 10-year Treasuries advanced one basis point to 4.38%. Japan's 10-year yield advanced 3.5 basis points to 2.645%		

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	7354	-0.047	7.43
*Bank Deposit Rates for 1 years			4.45	Euro Stoxx 600	636	-0.676	7.38
Bank Deposit Rates for 5 years			4.00	Shanghai Composite Index	4034	0.169	1.64
*Amount>500k OMR				MSX-30	7403	1.175	26.18
Calendar				NIFTY-50	24092	0.151	-7.80
Key Data Watch	Time (GST)	Expected	Prior	Brent Crude (\$/bbl)	72.39	0.653	20.39
UK Mortgage approvals	12:30	62.0k	63.5k	Gold (\$/oz.)	4052	-0.906	-6.20
US Dallas Fed Manufacturing Activity	18:30	0.0	-2.3			0.028	
				DXY	101		3.12
				Silver(\$/oz.)	58	-1.514	-18.71

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Telephone: +968 2265 2721/2722/2731/2716

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