

# Bank Dhofar Morning Market Update



Date: 09/06/26

## Global Update

Global equities staged a strong rebound, led by tech, as easing Middle East tensions and dip-buying in AI names supported sentiment. Asian markets outperformed, with MSCI Asia Pacific up ~2% and Korea's Kospi surging over 5% on gains in chip stocks, particularly SK Hynix. The recovery followed Wall Street strength, where semiconductors bounced sharply after last week's selloff, reflecting renewed confidence in the AI theme. [invezz.com] Oil prices eased toward ~\$94/bbl as Iran and Israel signaled a pause in hostilities, reducing immediate supply disruption concerns and supporting broader risk appetite. Overall, markets are reverting to a "buy-the-dip" risk-on tone, with AI optimism intact, though geopolitical developments and rate expectations remain key near-term drivers. While the equity rebound signals resilience, market conviction remains split. Bank of America flagged growing "bear market signposts," cautioning that the strong run in US equities could be nearing a cyclical peak. At the same time, the AI theme continues to attract capital, highlighted by OpenAI's confidential IPO filing, reinforcing the sector's need for scale funding to sustain growth ambitions. On the constructive side, Citigroup turned more bullish, raising its S&P 500 year-end target driven by a meaningful upgrade in earnings expectations, suggesting underlying fundamentals remain intact. Bottom line: Markets are entering a more two-sided phase—with strong earnings and AI momentum supporting equities, but valuation concerns and late-cycle signals warrant selective positioning.

Gold is holding a mild rebound above \$4,300 after testing three-month lows near \$4,269, supported by a softer US Dollar and positioning ahead of US CPI. However, the broader technical setup remains weak. On the daily chart, XAU/USD continues to trade below all key moving averages, reinforcing a clear downtrend structure, as prices below moving averages typically reflect sustained selling pressure and bearish sentiment. Momentum indicators also remain soft, with RSI near 35—signaling negative momentum without being fully oversold, suggesting room for further downside while keeping scope for short-term bounces. A heavy supply zone is visible overhead, with immediate resistance clustered around the 200-day SMA near \$4,441. A break above this level would be required to ease near-term pressure. Further resistance is seen at \$4,509 (21-day SMA) and \$4,621 (50-day SMA), with the 100-day SMA near \$4,789 marking the broader bearish threshold.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1534	1.1543	1.1527	O/N SOFR	3.630	3.630
GBPUSD	1.3340	1.3355	1.3331	1 month SOFR	3.612	3.612
USDJPY	160.16	160.2800	160.13	3 month SOFR	3.649	3.649
USDINR	95.49	95.66	95.42	6 months SOFR	3.708	3.708
USDCNY	6.7793	6.7808	6.7771	12 month SOFR	3.845	3.845
USDCHF	0.7977	0.7984	0.7972	3 years IRS	4.004	4.010
AUDUSD	0.7045	0.7059	0.7034	5 years IRS	4.005	4.008
NZDUSD	0.5810	0.5826	0.5799	The yield on 10-year Treasuries was little changed at 4.56%. Japan's 10-year yield declined one basis point to 2.705%. Australia's 10-year yield advanced two basis points to 4.92%.		

The euro was little changed at \$1.1538. The Japanese yen was little changed at 160.25 per dollar. The offshore yuan was little changed at 6.7800 per dollar.

## Global Markets

		Current Levels		Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate		4.25					
O/N OMIBOR		4	S&P 500	7406	0.298	8.18	
*Bank Deposit Rates for 1 years		4.45	Euro Stoxx 600	622	-0.149	4.99	
			Shanghai Composite Index	3980	0.514	0.27	
Bank Deposit Rates for 5 years		4.00	MSX-30	7591	1.004	29.38	
*Amount>500k OMR			NIFTY-50	23204	0.351	-11.20	
			Brent Crude (\$/bbl)	93.45	-0.838	55.28	
Calendar				Gold (\$/oz.)	4329	-0.035	0.21
Key Data Watch	Time (GST)	Expected	Prior	DXY	100	-0.092	1.66
NFIB Small Business Optimism	14:00	96	95.9		Silver(\$/oz.)	68	-0.470
ADP Weekly Employment Change	16:15		35.75k				

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