

Bank Dhofar Morning Market Update



Date: 08/06/26

Global Update

Global markets came under pressure as a combination of renewed geopolitical tensions, rising oil prices and shifting interest-rate expectations triggered a broad risk-off move. Equities across Asia declined sharply, with the MSCI Asia index falling nearly 3% and South Korea's Kospi dropping around 5%, led by heavy selling in chipmakers amid a pullback in AI-linked stocks. The weakness followed a tech-led selloff on Wall Street, where the Nasdaq 100 fell 4.8% and semiconductor shares dropped sharply, raising concerns that the AI-driven rally may be overstretched. At the same time, escalating tensions in the Middle East pushed Brent crude above \$96 per barrel, reinforcing inflation concerns and strengthening expectations of further Federal Reserve tightening. This led to a parallel selloff in bonds, with US 10-year yields climbing toward 4.6% as investors priced in higher rates and persistent inflation risks. While US equity futures showed some stabilization early in the session, overall sentiment remains cautious as markets reassess valuations, macro risks and the sustainability of recent gains.

EUR/USD is trading with a mild bullish bias around 1.1535 in early Asian hours, supported by improving momentum as the pair holds above the 23.6% Fibonacci retracement, with RSI near 58 and a slightly positive MACD indicating scope for further intraday upside. However, gains are likely to remain capped amid persistent geopolitical uncertainty and growing expectations of a more hawkish Federal Reserve, which continues to underpin the US dollar. On the upside, immediate resistance is seen around 1.1675–1.1680, followed by a stronger confluence zone near 1.1710, where the 200-period SMA and 50% retracement intersect; a sustained break above this area could open the path toward 1.1740 and 1.1785, with the cycle high at 1.1842 as the broader upside target.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1522	1.1535	1.1508	O/N SOFR	3.620	3.620
GBPUSD	1.3342	1.3350	1.3317	1 month SOFR	3.612	3.612
USDJPY	160.04	160.3900	160.04	3 month SOFR	3.649	3.649
USDINR	95.32	95.36	95.16	6 months SOFR	3.708	3.708
USDCNY	6.7891	6.7891	6.7825	12 month SOFR	3.845	3.845
USDCHF	0.7953	0.7980	0.7942	3 years IRS	4.037	3.994
AUDUSD	0.7066	0.7067	0.7018	5 years IRS	4.033	3.989
NZDUSD	0.5798	0.5808	0.5780			

The euro was little changed at \$1.1531. The Japanese yen was little changed at 160.34 per dollar. The offshore yuan was little changed at 6.7860 per dollar.

Bond traders fully priced in a Federal Reserve interest-rate hike by the end of this year after US job growth topped all forecasts in May, spurring yields higher in the \$31 trillion Treasuries market. Treasury 10-year yields rose 6.9bps to 4.54%; while the 5s30s curve flattened 6.3bps to 72.5bps. Japan's 10-year yield advanced five basis points to 2.715%

		Global Markets		
	Current Levels	Level	1-Day Change (%)	YTD (%)
CBO Repo Rate	4.25			

O/N OMIBOR	4	S&P 500	7384	-2.645	7.86
*Bank Deposit Rates for 1 years	4.45	Euro Stoxx 600	623	-0.287	5.15
		ShanghaiComposite Index	3977	-1.264	0.20
Bank Deposit Rates for 5 years	4.00	MSX-30	7515	-1.865	28.10
<small>*Amount>500k OMR</small>		NIFTY-50	23198	-0.724	-11.22
Calendar		Brent Crude (\$/bbl)	97.17	4.426	61.51
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4308
NY Fed 1-Yr Inflation Expectations	19:00	3.70%	3.64%		-0.469
					-0.034
				DXY	100
				Silver(\$/oz.)	68
					-0.250
					-5.58

For any Treasury related requirement, please contact:

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

Disclaimer: Any information contained in this document should not be construed as an offer, invitation, solicitation, or advice of any kind to buy or sell any financial products or services offered by Bank Dhofar S.A.O.G ("Bank Dhofar S.A.O.G"), unless specifically stated so. Foreign exchange and derivative transactions involve numerous risks including among others, market, counterparty default and illiquidity risk. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You may consider asking advice from your advisers in making this assessment. No part of this report/document may be copied or redistributed by any recipient for any purpose without Bank Dhofar S.A.O.G's prior written consent. All information contained in this document has been obtained from official sources believed to be accurate and reliable and Bank Dhofar S.A.O.G makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Opinions, estimates and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Bank Dhofar S.A.O.G and are subject to change without notice.