Bank Dhofar Morning Market Update

Date: 05/05/26

Global Update

Bond yields climbed and the dollar strengthened after the US and Iran exchanged fire, escalating Middle East tensions and reviving inflation concerns via higher oil prices. US Treasuries sold off across the curve, pushing 30-year yields to 5%—the highest since July—as markets increased bets that the Federal Reserve may ultimately need to raise rates again. In Asia-Pacific, 10-year New Zealand yields rose to 4.69% while Australian yields moved above 5% ahead of an expected RBA rate hike. Brent crude held most of its sharp surge despite easing slightly to just under $113 a barrel, while gold edged up to around $4,540 and bitcoin climbed to about $80,500. The dollar firmed against most G10 peers, equity futures were marginally higher, and Asian equities dipped modestly amid regional market holidays. Meanwhile, geopolitical risks intensified around the Strait of Hormuz following attacks and warnings from Tehran, keeping energy and inflation dynamics firmly in focus, even as Fed officials reiterated that rate cuts remain possible if inflation returns to target.

Gold is seeing a dead cat bounce from over one-month lows of $4,501 early Tuesday, but sellers are likely to jump back in amid sustained haven demand for the US Dollar and renewed tensions around the Strait of Hormuz. In the daily chart, XAU/USD trades at $4,540.20, holding a bearish near-term bias as it remains capped beneath the 21-day simple moving average (SMA) at $4,701.91 and the denser cluster of the 100-day and 50-day SMAs at $4,766.49 and $4,808.32, respectively. The pair still trades above the 200-day SMA at $4,293.14 and an upward-sloping support trend line around $4,382.60, but the downward resistance trend line near $4,607.28 and a subdued Relative Strength Index (14) at 39.12 suggest that rallies are likely to be sold while the metal stays below these overhead barriers.On the topside, immediate resistance emerges at the descending trend-line cap around $4,607.28, followed by the 21-day SMA at $4,701.91; a sustained break above this zone would open the way toward the 100-day SMA at $4,766.49 and then the 50-day SMA at $4,808.32. On the downside, initial support is seen near the recent price area, with stronger backing at the broken-uptrend region around $4,382.60, ahead of the 200-day SMA at $4,293.14, where buyers would be expected to defend the broader bullish cycle.

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1691	1.1698	1.1680
GBPUSD	1.3532	1.3538	1.3518
USDJPY	157.24	157.2800	157.15
USDINR	95.31	95.42	95.31
USDCNY	6.8421	6.8427	6.8261
USDCHF	0.7839	0.7846	0.7834
AUDUSD	0.7167	0.7173	0.7153
NZDUSD	0.5873	0.5878	0.5859

The euro was little changed at $1.1688.The Japanese yen was little changed at 157.22 per dollar.The offshore yuan was little changed at 6.8311 per dollar.Aussie fell 0.4% to 0.7171.

Rates

	Last Price	Previous Day Close
O/N SOFR	3.640	3.640
1 month SOFR	3.646	3.646
3 month SOFR	3.658	3.658
6 months SOFR	3.674	3.674
12 month SOFR	3.731	3.731
3 years IRS	3.761	3.760
5 years IRS	3.786	3.790

Treasuries fell, sending 30-year yields to the highest since July, as traders boosted wagers that the Federal Reserve will have to reverse course and raise interest rates to curb inflation following a surge in oil prices.Treasury 10-year yields rose 6.9bps to 4.44%; while the 5s30s curve flattened 1.0bps to 93.3bps

	Current Levels
CBO Repo Rate	4.25
O/N OMIBOR	4
***Bank Deposit Rates for 1 years**	4.45
Bank Deposit Rates for 5 years	4.00

*Amount>500k OMR

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7201	-0.406	5.19
Euro Stoxx 600	606	-0.988	2.25
ShanghaiComposite Index	4112	0.113	3.61
MSX-30	8398	0.440	43.14
NIFTY-50	24036	-0.347	-8.01
Brent Crude ($/bbl)	112.91	-1.319	87.53
Gold ($/oz.)	4532	0.233	4.93
DXY	99	0.145	0.20
Silver($/oz.)	73	0.056	1.60

Calendar

Key Data Watch	Time (GST)	Expected	Prior
Trade Balance	16:30	-$61.0b	-$57.3b
Imports MoM	16:30	2.7%	4.3%

For any Treasury related requirement, please contact:
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