

Bank Dhofar Morning Market Update



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Global Update

Oil prices moved higher, with Brent crude climbing nearly 1% to trade above USD 105 a barrel after President Donald Trump cast fresh doubt on the durability of the US-Iran ceasefire, reigniting concerns that disruptions to energy flows through the Strait of Hormuz could be prolonged and keep global energy costs elevated. The renewed Middle East uncertainty supported safe-haven demand, strengthening the US dollar against all its G10 peers, while pushing US Treasury yields modestly higher, with the 10-year edging up to around 4.42% as bonds remained under pressure. Asian equity markets were volatile, led by sharp intraday swings in South Korea's Kospi, which at one point fell over 5% after comments from a senior policymaker about funding citizen dividends through taxes on AI profits unsettled investor sentiment before losses were partially pared. Regional equities broadly struggled for direction, with the MSCI Asia Pacific index fluctuating between gains and losses, while equity-index futures pointed to weaker openings in Europe and Wall Street after US stocks closed at record highs in the previous session. Markets are now balancing escalating geopolitical risks against still-supportive fundamentals, including resilient US earnings and renewed momentum in AI-related stocks, while attention turns to upcoming US inflation data, which could offer insights into the extent of war-related price pressures and influence expectations for the Federal Reserve's interest-rate outlook.

Gold (XAU/USD) is currently trading around \$4,730, moving sideways as it consolidates below key resistance levels. Prices remain capped just under the 50-day moving average near \$4,758 and the 100-day moving average around \$4,786, suggesting that upside momentum is still limited for now. That said, gold continues to hold above important support levels, including the 21-day moving average near \$4,697, which is helping to stabilize prices in the short term, while the 200-day moving average around \$4,328 remains a key medium-term support. From a momentum perspective, the RSI is neutral-to-slightly positive, indicating consolidation rather than a strong directional move. On the upside, a daily close above the \$4,775 area would be an important signal that gold is regaining strength and could resume its broader recovery trend. However, caution is warranted as a recent bearish crossover between the 50-day and 100-day moving averages may limit gains and attract selling interest on rallies. On the downside, a clear break below \$4,697 could increase pressure and open the door for a deeper pullback toward much lower support levels over time.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1783	1.1788	1.1752	O/N SOFR	3.600	3.600
GBPUSD	1.3610	1.3615	1.3573	1 month SOFR	3.632	3.632
USDJPY	157.19	157.6900	157.11	3 month SOFR	3.643	3.643
USDINR	95.50	95.63	95.43	6 months SOFR	3.658	3.658
USDCNY	6.7965	6.7982	6.7930	12 month SOFR	3.725	3.725
USDCHF	0.7780	0.7801	0.7775	3 years IRS	3.775	3.764
AUDUSD	0.7249	0.7252	0.7222	5 years IRS	3.798	3.791
NZDUSD	0.5965	0.5969	0.5948	The yield on 10-year Treasuries was little changed at 4.42%. Japan's 10-year yield advanced 2.5 basis points to 2.540%. Australia's 10-year yield advanced three basis points to 5.02%		

The euro fell 0.2% to \$1.1758. The Japanese yen fell 0.2% to 157.56 per dollar. The offshore yuan was little changed at 6.7930 per dollar

Global Markets							
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	7413	0.188	8.29
				Euro Stoxx 600	613	0.106	3.48
*Bank Deposit Rates for 1 years			4.45	Shanghai Composite Index	4209	-0.389	6.04
Bank Deposit Rates for 5 years			4.00	MSX-30	8314	-0.208	41.71
				NIFTY-50	23628	-0.789	-9.57
Calendar				Brent Crude (\$/bbl)	104.90	0.662	74.19
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4718	-0.383	9.23
NFIB Small Business Optimism	14:00	96.1	95.8	DXY	98	0.215	-0.16
ADP Weekly Employment Change	16:15		39.25k	Silver(\$/oz.)	86	-0.200	19.85

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

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