Bank Dhofar Morning Market Update

Date: 21/07/26

Global Update

Asian equities rebounded strongly after a three-day decline as investors returned to semiconductor and AI-related stocks, with the MSCI Asia Pacific Index gaining 2.3% and major chipmakers such as Samsung Electronics and TSMC leading advances. South Korean and Taiwanese benchmarks rose more than 3.5%, while a technology-focused index in mainland China surged nearly 7% amid state-backed efforts to stabilise the market following the recent tech selloff. Japan's Nikkei 225 climbed 2.7%, recovering from correction territory, and US Nasdaq futures gained 0.9% as sentiment improved ahead of key earnings from major technology companies, including Alphabet. Supporting risk appetite, Brent crude eased 0.7% to around USD 88.55 per barrel as diplomatic efforts to reduce Middle East tensions progressed, alleviating some inflation concerns. Elsewhere, gold gained 0.5%, the New Zealand dollar strengthened after stronger-than-expected inflation data reinforced expectations of further rate hikes, the Canadian dollar remained steady despite fresh US tariff threats, and sterling continued to trade lower following a surprise cabinet appointment by the UK's new Prime Minister.

USD/JPY remains well supported near its multi-decade high as the wide US-Japan interest rate differential continues to drive carry-trade demand, despite persistent speculation that Japanese authorities may intervene to support the yen. Additional support for the pair comes from renewed Federal Reserve rate hike expectations, geopolitical tensions in the Middle East, and energy-driven inflation concerns, all of which have underpinned the US dollar. Technically, the pair is consolidating around 162.36 after reaching a recent high of 162.84, with price action holding close to the 20-period EMA at 162.31, suggesting a pause within the broader uptrend rather than a reversal. Momentum indicators remain constructive, with the RSI near 54 indicating moderate buying interest without overbought conditions. Immediate resistance is located at 162.84, and a sustained break above this level could extend gains towards 164.00. On the downside, initial support is seen at the rising trendline near 162.26, while a decisive break below this area could trigger a deeper correction towards 160.49, the origin of the current upswing. Overall, the broader bias remains bullish as long as the pair holds above key support levels.

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1414	1.1418	1.1409
GBPUSD	1.3431	1.3440	1.3423
USDJPY	162.50	162.5400	162.43
USDINR	96.42	96.43	96.30
USDCNY	6.7642	6.7691	6.7629
USDCHF	0.8101	0.8108	0.8097
AUDUSD	0.6997	0.7010	0.6993
NZDUSD	0.5838	0.5873	0.5833

The euro was unchanged at $1.1414.The Japanese yen was little changed at 162.47 per dollar.The offshore yuan was little changed at 6.7676 per dollar.

Rates

	Last Price	Previous Day Close
O/N SOFR	3.590	3.590
1 month SOFR	3.668	3.668
3 month SOFR	3.734	3.734
6 months SOFR	3.842	3.842
12 month SOFR	3.992	3.992
3 years IRS	4.032	4.039
5 years IRS	4.031	4.036

The yield on 10-year Treasuries was little changed at 4.59%.Japan's 10-year yield advanced two basis points to 2.725%.Australia's 10-year yield declined two basis points to 4.94%.

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	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	7443	-0.193	8.73
Euro Stoxx 600	640	-0.301	8.01
ShanghaiComposite Index	3820	0.616	-3.76
MSX-30	7152	-3.439	21.91
NIFTY-50	24236	-0.010	-7.25
Brent Crude ($/bbl)	88.49	-0.807	47.08
Gold ($/oz.)	4044	0.905	-6.37
DXY	101	0.008	2.68
Silver($/oz.)	58	2.316	-19.44

Calendar

Key Data Watch	Time (GST)	Expected	Prior
ADP Weekly Employment Change	16:15		19.750k
Philadelphia Fed Non-Manufacturing Activity	16:30		-25.8

For any Treasury related requirement, please contact:
Telephone: +968 2265 2721/2722/2731/2716