

Bank Dhofar Morning Market Update



Date: 14/05/26

Global Update

Global equities were mixed as investors tracked the US-China summit for signals on future trade relations. Asian markets edged lower overall, with MSCI Asia Pacific down 0.1%, while Chinese equities retreated after reaching multi-year highs. The CSI 300 fell 1.3% and the Shanghai Composite declined 1%, even as the offshore yuan extended its longest winning streak since 2017. Technology stocks outperformed, supported by continued optimism around artificial intelligence. Asian tech shares touched record levels, while US equity futures moved higher, led by the Nasdaq. Cisco surged in after-hours trading after delivering a stronger-than-expected outlook, reinforcing confidence in the tech earnings cycle. Bond markets firmed despite lingering inflation concerns. US Treasury yields edged lower with the 10-year at 4.46%, while Australian government bonds also gained. Although markets are pricing in the risk of future Fed rate hikes, strong corporate earnings and AI-driven investment continue to underpin global equity sentiment. Geopolitics remains in focus, with the Trump-Xi meeting striking a constructive tone. Both leaders emphasized cooperation, helping ease near-term trade concerns, even as investors continue to monitor Middle East tensions for their potential inflationary impact.

Brent crude remains fundamentally supported but highly volatile, with prices underpinned by ongoing geopolitical supply risks from the Middle East, tight global inventories, limited OPEC spare capacity, and continued disruption concerns around the Strait of Hormuz, even as softer economic growth and downward revisions to 2026 demand forecasts cap upside; technically, Brent is holding a bullish structure while trading above the \$100-102 support zone, with the uptrend intact and scope for a move toward \$112-115, while a sustained break above this area could open \$120+, whereas any de-escalation-driven drop below \$100 would signal a deeper corrective pullback toward the mid-\$90s.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1711	1.1719	1.1710	O/N SOFR	3.600	3.600
GBPUSD	1.3523	1.3533	1.3520	1 month SOFR	3.629	3.629
USDJPY	157.86	157.9900	157.54	3 month SOFR	3.646	3.646
USDINR	95.72	95.86	95.69	6 months SOFR	3.672	3.672
USDCNY	6.7861	6.7899	6.7859	12 month SOFR	3.749	3.749
USDCHF	0.7820	0.7823	0.7813	3 years IRS	3.805	3.811
AUDUSD	0.7258	0.7262	0.7244	5 years IRS	3.831	3.834
NZDUSD	0.5936	0.5940	0.5927			

USD/JPY hovers near 158 level that previously caused suspected intervention. GBP/USD is steady at 1.3528 and EUR/USD little changed at 1.1714. AUD/USD edges lower though remains well above 0.72. The offshore yuan was little changed at 6.7849 per dollar.

US 2-year yields edge 1bp lower to 3.97%; 10-year yields inches less than 1bp lower to 4.46%. Treasuries closed mixed in New York as softer oil supported the front-end of the curve while a slightly soft 30-year auction weighed on longer-maturity bonds. Japan's 10-year yield advanced three basis points to 2.620%. Australia's 10-year yield declined four basis points to 5.02%

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25	S&P 500	7444	0.585	8.75
O/N OMIBOR			4	Euro Stoxx 600	611	0.790	3.25
*Bank Deposit Rates for 1 years			4.45	Shanghai Composite Index	4199	-1.023	5.80
Bank Deposit Rates for 5 years			4.00	MSX-30	8179	-1.285	39.41
*Amount > 500k OMR				NIFTY-50	23456	0.187	-10.23
Calendar				Brent Crude (\$/bbl)	106.04	0.398	76.10
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4704	0.322	8.90
Import Price Index MoM	16:30	1.0%	0.8%			-0.063	
Export Price Index MoM	16:30	1.2%	1.6%	DXI	98		0.14
				Silver (\$/oz.)	87	-0.578	21.47

For any Treasury related requirement, please contact:
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