

Bank Dhofar Morning Market Update



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Global Update

Global equities eased from record highs as investors paused after the strong AI-driven rally, with MSCI's regional index falling 0.5% led by a 1.8% decline in South Korea's Kospi as profit-taking set in following its sharp outperformance this year. US tech sentiment softened, with Nasdaq 100 futures down 0.7% amid unwinding of crowded AI trades, while Chinese tech outperformed on Tencent's 7.5% surge and European futures pointed to a firmer open. In commodities, Brent crude edged lower to around \$94.40/bbl but remained elevated as uncertainty around US-Iran negotiations persisted, keeping geopolitical risk premia intact. Rates markets held recent losses, with higher oil prices reinforcing concerns of stickier inflation and supporting the narrative of "higher for longer" Fed policy. Meanwhile, geopolitical signals remained mixed, as conflicting statements from US President Donald Trump and Israel's Prime Minister Benjamin Netanyahu on Lebanon added to uncertainty around progress toward a broader regional ceasefire.

AUD/USD drifted lower toward 0.7150 in Asian trade, pressured by weaker-than-expected Australian Q1 Company Gross Operating Profits and Current Account data, though downside remains limited amid a broadly subdued USD despite ongoing geopolitical uncertainty around the US-Iran ceasefire and renewed Israel-Lebanon tensions. Focus now shifts to US JOLTS data for near-term direction. Technically, the pair remains mildly constructive, holding above key moving averages with the 55-day (0.7104), 100-day (0.7053) and 200-day (0.6817) SMAs all below spot at 0.7158, indicating underlying support despite the recent consolidation. Momentum signals are neutral, with RSI near 50 and ADX around 17, suggesting limited directional conviction in the near term.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1631	1.1637	1.1629	O/N SOFR	3.630	3.630
GBPUSD	1.3455	1.3465	1.3451	1 month SOFR	3.620	3.620
USDJPY	159.66	159.7300	159.60	3 month SOFR	3.657	3.657
USDINR	95.06	95.18	95.03	6 months SOFR	3.714	3.714
USDCNY	6.7647	6.7657	6.7621	12 month SOFR	3.836	3.836
USDCHF	0.7867	0.7872	0.7863	3 years IRS	3.874	3.886
AUDUSD	0.7159	0.7169	0.7153	5 years IRS	3.879	3.893
NZDUSD	0.5932	0.5940	0.5918			

The euro was little changed at \$1.1635. In Asia, the yen was steady around 159.70 per dollar after Japanese Finance Minister Satsuki Katayama said authorities are ready to take steps as needed in the foreign exchange market. The Japanese yen was little changed at 159.72 per dollar. The offshore yuan was little changed at 6.7601 per dollar.

US 2-year yields were little changed at 4.03% while 10-year yields inched less than 1bp lower to 4.45%. Treasury yields closed higher in the New York session as an impasse in negotiations between the US and Iran lifted oil prices. Japan's 10-year yield declined 5.5 basis points to 2.625%. Australia's 10-year yield was little changed at 4.89%.

Global Markets				
Current Levels	Level	1-Day	YTD (%)	

CBO Repo Rate	4.25			Change (%)	
O/N OMIBOR	4	S&P 500	7600	0.262	11.02
*Bank Deposit Rates for 1 years	4.45	Euro Stoxx 600	621	-0.760	4.91
		ShanghaiComposite Index	4056	-0.037	2.20
Bank Deposit Rates for 5 years	4.00	MSX-30	7795	0.492	32.87
<small>*Amount>500k OMR</small>		NIFTY-50	23290	-0.398	-10.87
		Brent Crude (\$/bbl)	94.21	-0.811	56.52
Calendar					
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4509
JOLTS Job Openings	18:00	6866k	6866k		-0.029
JOLTS Job Openings Rate	18:00	4.2%	4.1%	DXY	99
				Silver(\$/oz.)	76
					1.192
					5.68

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