

Bank Dhofar Morning Market Update



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Global Update

The MSCI All Country World Index — a broad measure of the equity market — fell 0.1% on Wednesday after four days of gains had boosted it to an all-time high. MSCI's gauge of Asian stocks slipped 0.6% after a rally that pushed it to the best-ever start to a year. Japanese shares dropped 1% as China imposed controls on exports to the country. Escalating tensions between China and Japan are in focus in Asia, even as optimism over artificial intelligence and expectations of Federal Reserve easing have propelled global equities to new highs. Economic data due from the US this week will test whether that optimism holds as investors mostly shrug off geopolitical risks, including those linked to Venezuela. In the oil market, Trump said Venezuela would relinquish as much as 50 million barrels of oil to the US, worth roughly \$2.8 billion at the current market price, announcing the cargoes would be sold with proceeds benefiting both countries. The announcement marked a significant step up for the US government as it seeks to extend its economic influence in Venezuela. It's also a blow to China, previously the top buyer of the country's oil and a close partner. Global issuance in the US investment-grade bond market, including from Asian companies, topped \$72 billion combined in the first two days of the week, a record, according to data compiled by Bloomberg. Ten companies from Asia Pacific priced notes Tuesday, though the rapid-fire pace of deals slowed mid-week.

Gold is correcting from weekly highs of \$4,500 early Wednesday as buyers take a breather after the recent relentless upsurge, backed by geopolitical flare-ups globally and increased US Federal Reserve interest rate cut bets for 2026. In the daily chart, the 21-day Simple Moving Average (SMA) advances above the 50-day, with price holding over both, signaling firm bullish momentum. The 21-day SMA at \$4,363.88 acts as nearby dynamic support. The RSI at 63.41 remains in bullish territory without overbought readings, keeping the bias tilted to the upside. Broader trend metrics stay supportive as the 100- and 200-day SMAs continue to climb and the market trades above them. The moving average stack shows buyers in control, with secondary support at the 50-day SMA around \$4,212.04 and deeper layers near the 100-day at \$3,997.46 and the 200-day at \$3,653.43. As long as price holds above the 21-day SMA, the uptrend would extend, while pullbacks could be absorbed into the rising averages.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1689	1.1703	1.1685	O/N SOFR	3.700	0.000
GBPUSD	1.3501	1.3517	1.3496	1 month SOFR	3.675	3.675

USDJPY	156.65	156.8000	156.51	3 month SOFR	3.646	3.646
USDINR	90.18	90.23	89.90	6 months SOFR	3.576	3.576
USDCNY	6.9844	6.9911	6.9837	12 month SOFR	3.428	3.428
USDCHF	0.7956	0.7959	0.7944	3 years IRS	3.330	3.331
AUDUSD	0.6738	0.6767	0.6717	5 years IRS	3.447	3.450
NZDUSD	0.5785	0.5793	0.5778			

The euro was little changed at \$1.1696 while GBP/USD gains to remain above 1.35.The Japanese yen was little changed at 156.58 per dollar. AUD/USD advances past mid 0.67-0.68.The offshore yuan was little changed at 6.9844 per dollar.

Investors were also watching the primary bond market. The first week of 2026 has seen a surge in global primary bond issuance, signaling strong investor confidence despite heightened geopolitical risks.US 2-year yields steady at 3.46% while 10-year yields fall 1bp to 4.17%..Australia’s 10-year yield declined two basis points to 4.77%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	6945	0.620	1.45
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	605	0.585	2.21
				ShanghaiComposite Index	4096	0.291	3.19
Bank Deposit Rates for 5 years			4.00	MSX-30	6025	0.310	2.69
*Amount>500k OMR				NIFTY-50	26185	0.024	0.21
Calendar				Brent Crude (\$/bbl)	60.05	-1.071	-1.31
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4464	-0.683	3.35
MBA Mortgage Applications	16:00			DXY	99	-0.042	0.22
ADP Employment Change	17:15	50k	-32k				
				Silver(\$/oz.)	80	-2.092	11.03

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