

Bank Dhofar Morning Market Update

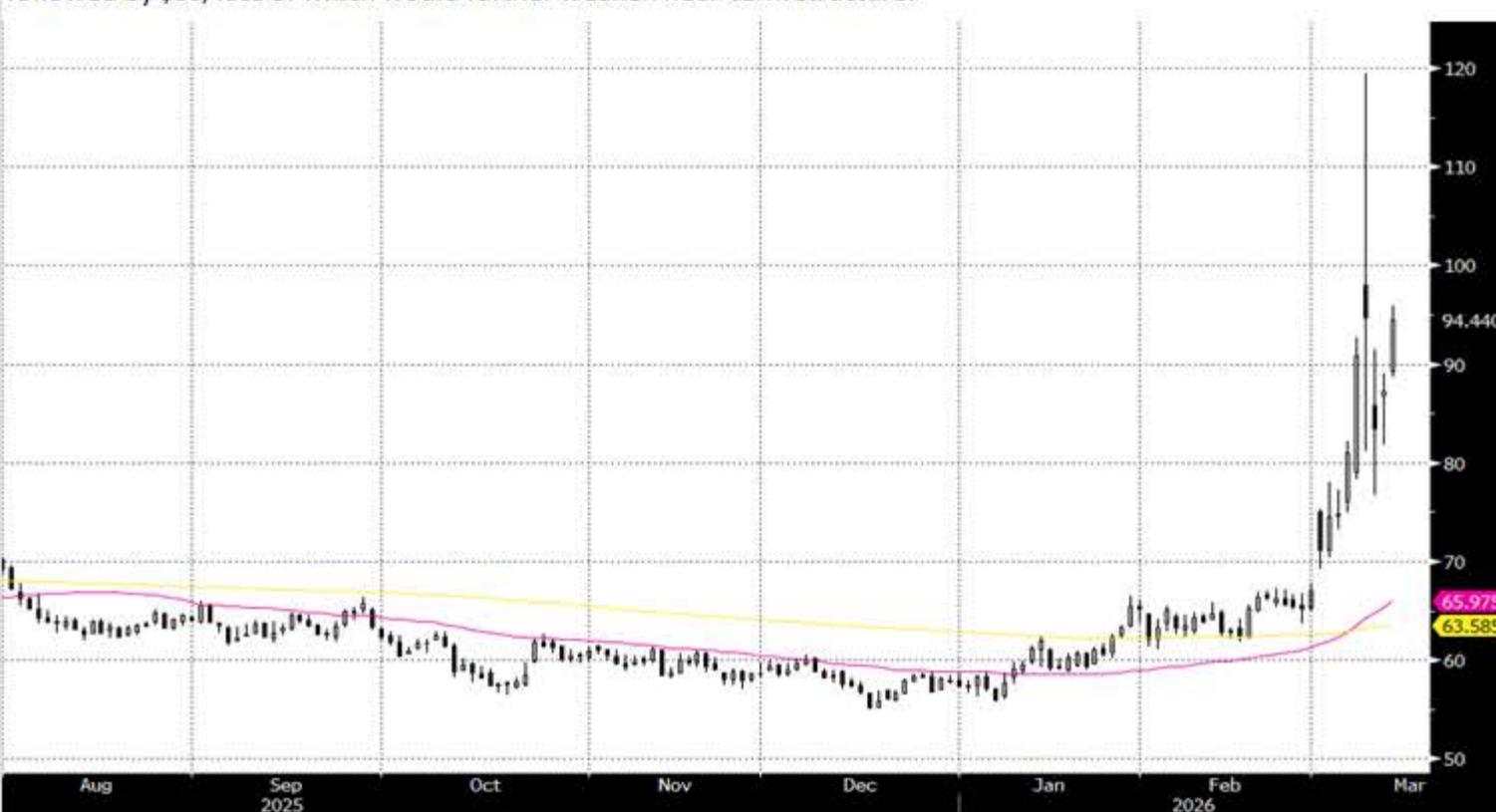


Date: 12/03/26

Global Update

US equity futures and Asian stocks declined, adding to an already volatile week, as oil prices surged following an attack on tankers in Iraqi waters. The incident underscored risks to energy infrastructure and heightened fears of a widening conflict in the Middle East. Futures on the S&P 500 dropped 1%, while Asian equity gauges fell 1.9%. Brent crude climbed back above \$100 a barrel after Iraq halted operations at its oil ports in response to the tanker attacks. In separate developments, Bahrain reported that Iran had targeted its fuel storage facilities, and Oman evacuated all vessels from its key oil export terminal at Mina Al Fahal as a precaution. Energy markets remained the center of investor concern, with sharp swings in oil and gas prices fueling inflation expectations. The renewed rally in oil signaled that worries over a prolonged conflict outweighed relief from the record-large emergency release of crude reserves by major economies. Sentiment was also pressured by growing stress in the private credit market, where Morgan Stanley and Cliffwater LLC moved to restrict withdrawals from their multibillion-dollar funds amid a surge in redemption requests and rising concerns about the quality of underlying loans. The Iran war has now entered its second week, and the Strait of Hormuz—through which about one-fifth of global oil typically flows—remains effectively closed. Analysts at Commonwealth Bank of Australia warned that Brent could rise to \$150 a barrel or higher if the crisis persists, potentially leading to physical supply shortfalls. According to the International Monetary Fund, a sustained 10% increase in energy prices over a year would raise global inflation by about 40 basis points and reduce economic growth by 0.1 to 0.2 percentage points.

WTI oil remains in a sideways mode and ranging between \$80 and \$90 for the second consecutive day, suggesting that the price action has temporarily stabilized after surge to near \$120 per barrel on opening on Monday and subsequent drop of about \$40 during Mon/Tue trading. On the other hand, fears that global economies could start feeling a full impact of the war through significant supply shortages, as Iran warned the world to be prepared for disastrous scenario of oil price running to \$200 per barrel, produce an opposite effect that could inflate the price quickly in scenario of prolonged and escalating war (the US said on Monday that the war may extend towards September). Long-legged Doji candle on Tuesday and today's action being in similar shape, signal indecision, with significant barriers at \$89.00 and \$90, break of which to generate initial reversal signal and open way for stronger recovery. Conversely, \$82.00 (range base) offers solid support, followed by \$80, loss of which would further weaken near-term structure.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1567	1.1575	1.1532	O/N SOFR	3.640	3.640
GBPUSD	1.3412	1.3414	1.3365	1 month SOFR	3.676	3.676
USDJPY	158.95	159.2400	158.79	3 month SOFR	3.675	3.675
USDINR	92.27	92.35	92.27	6 months SOFR	3.638	3.638
USDCNY	6.8746	6.8809	6.8728	12 month SOFR	3.548	3.548
USDCHE	0.7805	0.7823	0.7795	3 years IRS	3.446	3.434
AUDUSD	0.7152	0.7161	0.7124	5 years IRS	3.497	3.488
NZDUSD	0.5913	0.5917	0.5892			

The euro fell 0.2% to \$1.1539. The Japanese yen was little changed at 159.01 per dollar. The offshore yuan was little changed at 6.8833 per dollar. The Australian dollar fell 0.2% to \$0.7135.

US 2-year yields are up 2bps to 3.67% while 10-year yields are steady at 4.24%. Japan's 10-year yield advanced 1.5 basis points to 2.185%. Australia's 10-year yield advanced 11 basis points to 4.95%.

Global Markets					
	Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate	4.25				
O/N OMIBOR	4	S&P 500	6776	-0.084	-1.02
*Bank Deposit Rates for 1 years	3.75	Euro Stoxx 600	603	-0.591	1.75
		Shanghai Composite Index	4107	-0.641	3.48
Bank Deposit Rates for 5 years	3.90	MSX-30	7707	-0.504	31.37
*Amount > 500k OMR		NIFTY-50	23646	-0.924	-9.50

Calendar					Level	1-Day Change (%)	YTD (%)
Key Data Watch	Time (GST)	Expected	Prior				
Trade Balance	16:30	-\$66.0b	\$70.3b	Brent Crude (\$/bbl)	100.16	8.904	66.06
Initial Jobless Claims	16:30	215k	213k	Gold (\$/oz.)	5146	-0.586	19.14
						0.235	
				DXY	99		1.16
				Silver (\$/oz.)	85	-1.312	18.08

For any Treasury related requirement, please contact:
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