

Bank Dhofar Morning Market Update



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Global Update

Asian equities extended their rally for a fourth consecutive session as worries surrounding the impact of artificial intelligence began to subside, although enthusiasm was cooled by a subdued market reaction to Nvidia Corp.'s strong sales outlook. The Japanese yen strengthened against the U.S. dollar during the session. The MSCI Asia Pacific Index advanced 0.9%, reaching yet another record high. South Korea's Kospi — widely viewed as a key indicator for AI-driven investments — climbed 2.2%, solidifying its position as the world's top-performing equity market this year. Nvidia shares, meanwhile, gave back most of their initial post-earnings gains and finished only 0.2% higher in extended trading, despite the company issuing a revenue forecast that exceeded market expectations. Nvidia also signaled that parts of the AI sector may be overheating, a comment that weighed on several Asian semiconductor stocks. Futures tied to U.S. and European equity benchmarks edged slightly lower. Nvidia's failure to impress investors is set to test traders after equity markets rebounded from Monday's tumble, which was driven by concerns over AI-driven disruption across sectors and fears that valuations had run ahead of fundamentals. In contrast, Asia has largely sidestepped the volatility as traders pile into the region's chipmakers — viewed as the "picks and shovels" of the AI supply chain. In other corners of the market, the dollar weakened for a second day. Gold rose as traders weighed geopolitical tensions in the Middle East and the impact of US tariffs on global trade. Bitcoin fell 1% and Treasuries gained, with the yield on the benchmark 10-year falling one basis point to 4.04%. Meanwhile, Japan's currency rose as much as 0.4% to 155.76 per dollar, alongside gains in short-end domestic government bond yields. The yen led gains among Group-of-10 currencies after Bank of Japan board member Hajime Takata, the most hawkish voice on the panel, renewed calls for further rate increases. AUD/USD picks up bids and grinds higher toward 0.7150 in the Asian session on Thursday. The pair eyes a three-year peak amid bets for another RBA rate hike in 2026, bolstered by the latest Australian consumer inflation figures. Moreover, a softer US Dollar acts as a tailwind for the Aussie, though trade uncertainties seem to limit the Aussie's upside. On the daily chart, AUD/USD is trading near 0.7116, maintaining a constructive bullish bias as the pair continues to hold above the upward-sloping 55-day, 100-day, and 200-day SMAs, which collectively support a rising medium-term structure. Price is currently pushing into the upper portion of the rebound zone defined by the 61.8% Fibonacci level at 0.6699 and the 50% retracement at 0.6784, calculated from the 0.6421 low to the 0.7147 high.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1810	1.1829	1.1807	O/N SOFR	3.670	3.670
GBPUSD	1.3559	1.3575	1.3550	1 month SOFR	3.676	3.676
USDJPY	156.36	156.4300	155.76	3 month SOFR	3.673	3.673
USDINR	90.85	90.89	90.81	6 months SOFR	3.625	3.625
USDCNY	6.8545	6.8545	6.8362	12 month SOFR	3.464	3.464
USDCHF	0.7725	0.7728	0.7711	3 years IRS	3.262	3.272
AUDUSD	0.7123	0.7137	0.7114	5 years IRS	3.332	3.343
NZDUSD	0.5999	0.6013	0.5996			

USD/JPY falls back below 156 while EUR/USD edges higher to hold above 1.18. AUD/USD consolidates above 0.71 as GBP/USD trades in a narrow range above mid 1.35-1.36. The yield on 10-year Treasuries declined one basis point to 4.04%. Japan's 10-year yield advanced 2.5 basis points to 2.165% Australia's 10-year yield declined two basis points to 4.70%

Calendar				Global Markets			
Key Data Watch	Time (GST)	Expected	Prior		Level	1-Day Change (%)	YTD (%)
Initial Jobless Claims	17:30	216k	206k	S&P 500	6946	0.814	1.47
Continuing Claims	17:30	1858k	1869k	Euro Stoxx 600	633	0.688	6.97
				Shanghai Composite Index	4144	-0.076	-4.42
				MSX-30	7388	1.314	25.92
				NIFTY-50	25560	0.305	-2.18
				Brent Crude (\$/bbl)	71.03	0.310	17.49
				Gold (\$/oz.)	5192	0.529	20.21
						-0.099	
				DXI	98		-0.73
				Silver(\$/oz.)	89	0.189	24.75

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