Bank Dhofar Morning Market Update

Date: 03/09/26

Global Update

Asian equities rebounded, with the MSCI Asia Pacific Index rising 1.1% as investor sentiment improved after President Trump downplayed the risk of a prolonged conflict with Iran. Technology shares led gains following Broadcom's positive outlook for AI-driven semiconductor demand, supporting chipmakers across the region.The Japanese yen strengthened for a second consecutive session, reaching 157.63 against the US dollar amid speculation of official intervention and growing expectations of a Bank of Japan rate hike later this month. Strong demand at Japan's 30-year government bond auction also pushed long-term yields lower.Oil prices paused after a three-day rally, with Brent crude easing slightly to around USD 95.40/bbl as geopolitical fears subsided. The softer oil market helped stabilise global bond markets, while the US 10-year Treasury yield remained near 4.77%.The US dollar weakened for a second day, supporting gains in gold, which rose 1.2% to approximately USD 4,430/oz. Industrial metals also advanced, with copper moving closer to record highs. Market focus is now shifting to Friday's US employment report, which could provide important clues on the outlook for the US economy and Federal Reserve policy.
USD/JPY remains under pressure, trading near 158.15 in Asian hours as the Japanese yen strengthens following signals from Japanese policymakers that interest rates could rise later this month. Market attention now turns to Friday's US Nonfarm Payrolls report, which may provide fresh direction for the pair.From a technical perspective, the near-term bias remains bearish, with USD/JPY trading below both the 100-day SMA (159.99) and the Bollinger Bands' midline (159.18). The RSI is subdued around 38.9, suggesting weak momentum despite recovering from oversold territory. Immediate support is seen at 157.98, the lower Bollinger Band. A sustained break below this level could trigger further downside towards lower support zones. On the upside, resistance is located at 159.18, followed by the key 160.00 area and the upper Bollinger Band near 160.38. Unless the pair regains the 159.00-160.00 region, rallies are likely to face selling pressure, keeping the downside risks intact.

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1588	1.1600	1.1584
GBPUSD	1.3486	1.3499	1.3480
USDJPY	158.71	158.9700	157.55
USDINR	94.31	94.49	94.27
USDCNY	6.7197	6.7199	6.7180
USDCHF	0.8129	0.8131	0.8115
AUDUSD	0.7169	0.7173	0.7161
NZDUSD	0.5852	0.5870	0.5836

EUR/USD was little changed at 1.1596.Japanese yen strengthened 0.6% to 157.83 per dollar.Offshore yuan was little changed at 6.7174 per dollar.GBP traded near 1.3650, supported by broad US dollar softness.Australian dollar hovered around 0.6750, benefiting from improved risk sentiment and gains in commodity prices.

Rates

	Last Price	Previous Day Close
O/N SOFR	3.660	#N/A N/A
1 month SOFR	3.737	3.737
3 month SOFR	3.828	3.828
6 months SOFR	3.965	3.965
12 month SOFR	4.152	4.152
3 years IRS	4.246	4.247
5 years IRS	4.264	4.265

Government bond yields eased across Asia, reflecting improved demand for safe-haven debt as investors reassessed geopolitical risks and positioned ahead of key central bank decisions and Friday's US Nonfarm Payrolls report.US 10-Year Treasury Yield: little changed at 4.77%.Japan 10-Year Government Bond Yield: fell 4 bps to 2.97%.Australia 10-Year Government Bond Yield: fell 5 bps to 5.18%.

	Current Levels
CBO Repo Rate	4.25
O/N OMIBOR	4
*Bank Deposit Rates for 1 years	4.45
Bank Deposit Rates for 5 years	4.45

*Amount>500k OMR

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	7667	0.460	11.99
Euro Stoxx 600	646	-0.239	9.07
ShanghaiComposite Index	3958	0.426	-0.27
MSX-30	7607	-0.052	29.66
NIFTY-50	24002	0.366	-8.14
Brent Crude ($/bbl)	95.21	-0.429	58.20
Gold ($/oz.)	4438	1.276	2.74
DXY	99	-0.210	1.08
Silver($/oz.)	66	1.298	-7.68

Calendar

Key Data Watch	Time (GST)	Expected	Prior
Challenger Job Cuts YoY	13:30:00 PM		-46.1%
Trade Balance	16:30:00 PM	-90.2b	-$73.3b

For any Treasury related requirement, please contact:
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