

Bank Dhofar Morning Market Update



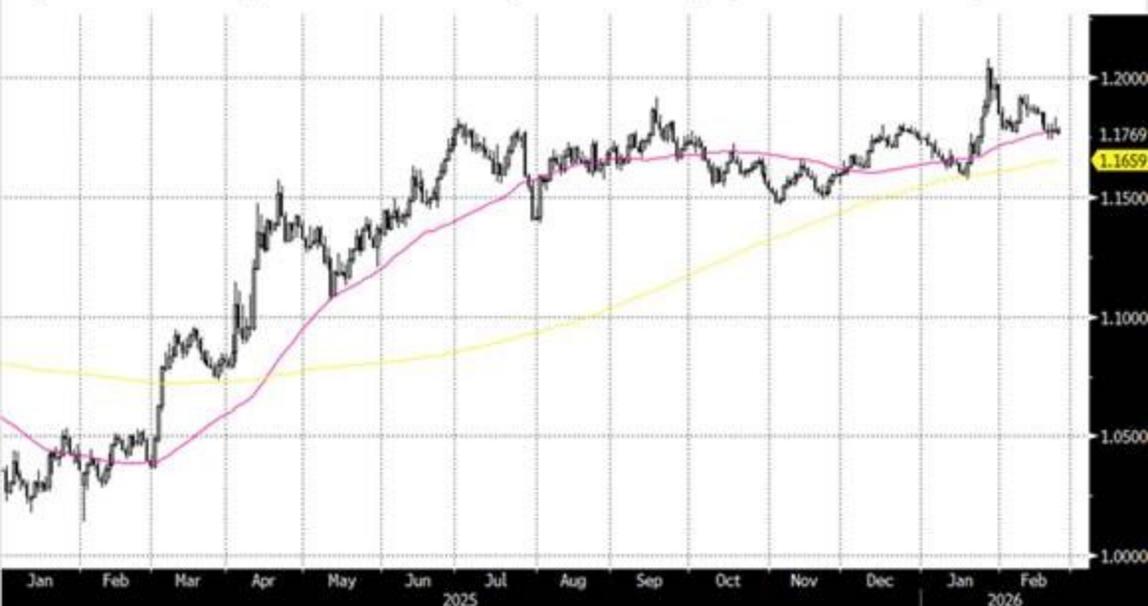
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Global Update

Asian equities moved higher, brushing aside weakness in the US that stemmed from concerns about how artificial intelligence could affect corporate earnings. Investors continued to favor the region's chipmakers, expecting them to benefit from the expanding demand created by AI infrastructure. South Korean shares climbed 1.5% and Taiwan gained 2.3% as investors increased exposure to semiconductor names, viewing them as essential suppliers in the AI value chain. Chinese markets also advanced after returning from the Lunar New Year break, helping the broader MSCI Asia Pacific Index recover earlier declines and edge up 0.2%.

S&P 500 futures added 0.3%, signaling improved sentiment after Monday's drop in the underlying index. As risk appetite strengthened, gold eased following a four-day rally, and Treasury yields retraced some of their gains from the US session, when investors had sought safety. Bitcoin traded below \$65,000. The regional gains came despite Monday's US downturn, where technology, delivery, and payments stocks fell after Citrini Research highlighted potential AI-related risks across multiple industries. Asian shares have outperformed in 2026, with MSCI's regional gauge rising 12% this year, while the S&P 500 Index has been little changed. That marks the Asian index's strongest start to a year relative to the US benchmark on record. While software companies have been among the hardest hit, insurance brokers, private credit firms, cybersecurity and even real estate services stocks in the US have all been caught up in the so-called AI scare trade. Oil steadied as Trump said his preference was for a nuclear deal with Iran ahead of talks between the two nations this week.

The EUR/USD pair holds positive ground around 1.1795 during the early Asian session on Tuesday. The US Dollar weakens against the Euro amid US tariff uncertainty. The release of the US January Producer Price Index report will be in the spotlight later on Friday. In the daily chart, EUR/USD trades at 1.1797. The 55-day Simple Moving Average (SMA) advances above the 100- and 200-day SMAs, with all three sloping higher to reinforce a bullish bias. Price holds above these averages, keeping buyers in control in the near term. The Relative Strength Index (14) sits at 48.6 (neutral), edging higher and suggesting momentum is stabilising. Immediate resistance aligns at 1.2082, followed by 1.2266. Support is seen at 1.1766, then at 1.1578. A topside clearance of the first barrier would open the path toward the next cap, while a close below initial support would risk a deeper pullback within the broader uptrend structure.



Source: Reuters, Bloomberg

Currencies			Rates			
	Open	High	Low	Last Price	Previous Day Close	
EURUSD	1.1785	1.1796	1.1768	O/N SOFR	3.660	3.660
GBPUSD	1.3492	1.3501	1.3478	1 month SOFR	3.673	3.673
USDJPY	154.65	155.3100	154.53	3 month SOFR	3.665	3.665
USDINR	90.93	90.97	90.93	6 months SOFR	3.608	3.608
USDCNY	6.8990	6.8991	6.8963	12 month SOFR	3.448	3.448
USDCHE	0.7747	0.7766	0.7742	3 years IRS	3.230	3.218
AUDUSD	0.7056	0.7073	0.7048	5 years IRS	3.306	3.294
NZDUSD	0.5956	0.5972	0.5950			

The euro was little changed at \$1.1779. The Japanese yen fell 0.2% to 154.99 per dollar. The offshore yuan was little changed at 6.8932 per dollar. AUD/USD advances to hold above mid 0.70-0.71. GBP/USD hovers below 1.35.

Treasuries edged lower with the yield on the benchmark 10-year rising one basis point to 4.04%. The yield on 10-year Treasuries advanced one basis point to 4.04%. Japan's 10-year yield declined one basis point to 2.095%. Australia's 10-year yield declined two basis points to 4.70%

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25	S&P 500	6838	-1.039	-0.11
O/N OMIBOR			4	Euro Stoxx 600	628	-0.454	6.00
*Bank Deposit Rates for 1 years			3.75	Shanghai Composite Index	4130	1.169	4.06
Bank Deposit Rates for 5 years			3.75	MSX-30	7177	-0.562	22.33
*Against 500k OMR				NIFTY-50	25516	-0.767	-2.35
Calendar				Brent Crude (\$/bbl)	72.06	0.797	19.13
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	5165	-1.199	19.57
ADP Weekly Employment Change	17:15		10.250k	DXY	98	0.198	-0.43
Philadelphia Fed Non-Manufacturing Activity	17:30	-6.8	-4.2	Silver (\$/oz.)	87	-1.611	21.09

For any Treasury related requirement, please contact:

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