

Bank Dhofar Morning Market Update



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Global Update

Global markets were mixed as investors remained cautious ahead of the US Federal Reserve's policy decision and key earnings from megacap technology companies. Asian equities were largely unchanged, with gains in Hong Kong and mainland China offset by losses in Taiwan, leaving the MSCI Asia Pacific index little moved. In the US, Nasdaq 100 futures rose 0.4% as sentiment stabilized following Tuesday's Wall Street selloff, which had been driven by skepticism over the returns from artificial intelligence investments. Oil prices were volatile, with Brent crude swinging between gains and losses before trading 0.2% lower at \$111.08 a barrel. Earlier gains were triggered by reports suggesting US President Donald Trump had asked aides to prepare for a prolonged blockade of Iran, potentially disrupting traffic through the Strait of Hormuz. Treasury futures were little changed after falling the previous day, when high oil prices lifted inflation expectations and reduced bets on near-term Fed rate cuts. Cash Treasury trading was closed in Asian hours due to a public holiday in Japan. Attention is also firmly on earnings from megacap technology firms, which have powered the recent recovery in global equities following Middle East-related losses. Alphabet, Microsoft, Amazon and Meta are due to report results on Wednesday, with Apple following on Thursday, making this a critical week for determining whether the equity rally can be sustained. Elsewhere, the United Arab Emirates said it will leave OPEC next month, in a significant blow to the group that raises questions about its future. The UAE's exit May 1 after six decades of membership is the latest indication of how the conflict is reshaping global energy markets. AUD/USD is holding below the 0.7200 level during Wednesday's Asian session, trading around 0.7180 and showing a mildly bearish intraday tone after failing to gain traction from mixed Australian inflation data, although downside pressure appears limited ahead of the key FOMC policy announcement later in the day. On the 15-minute chart, the pair remains below the daily open at 0.7191, which now acts as immediate resistance, while the Stochastic RSI near 15 signals oversold conditions, suggesting short-term selling momentum has eased and allowing scope for a modest corrective bounce, even as rallies remain capped beneath resistance. A clear break above 0.7191 would be needed to ease the immediate bearish bias, while the lack of clearly defined nearby support on the intraday timeframe leaves the pair vulnerable to further dips toward intrabar lows and psychological levels. From a broader perspective, the daily chart continues to reflect a constructive underlying trend, with AUD/USD holding comfortably above the 50-day EMA at 0.7041 and the 200-day EMA at 0.6800, indicating underlying demand remains intact, although a daily Stochastic RSI near 79 suggests the recent advance is becoming stretched and may slow or consolidate if buyers hesitate to extend gains.



Source: Reuters, Bloomberg

| Currencies | | | | Rates | | |
|------------|--------|----------|--------|---|------------|--------------------|
| | Open | High | Low | | Last Price | Previous Day Close |
| EURUSD | 1.1712 | 1.1721 | 1.1705 | O/N SOFR | 3.660 | 3.660 |
| GBPUSD | 1.3517 | 1.3528 | 1.3510 | 1 month SOFR | 3.659 | 3.659 |
| USDJPY | 159.62 | 159.6700 | 159.52 | 3 month SOFR | 3.669 | 3.669 |
| USDINR | 94.75 | 94.81 | 94.74 | 6 months SOFR | 3.673 | 3.673 |
| USDCNY | 6.8356 | 6.8399 | 6.8335 | 12 month SOFR | 3.683 | 3.683 |
| USDCHF | 0.7893 | 0.7897 | 0.7883 | 3 years IRS | 3.636 | 3.636 |
| AUDUSD | 0.7181 | 0.7190 | 0.7160 | 5 years IRS | 3.669 | 3.672 |
| NZDUSD | 0.5885 | 0.5892 | 0.5856 | Treasury yields climbed as a jump in oil prices curbed expectations for Federal Reserve interest-rate cuts. Japan's 10-year yield was unchanged at 2.465%. Australia's 10-year yield declined three basis points to 5.00% | | |

The euro was little changed at \$1.1710. The Japanese yen was little changed at 159.60 per dollar. The offshore yuan was little changed at 6.8371 per dollar. GBP/USD declined 0.1% to 1.3520.

| Calendar | | | | Global Markets | | | |
|---------------------------------|------------|----------|-------|--------------------------|--------|------------------|---------|
| Key Data Watch | Time (GST) | Expected | Prior | | Level | 1-Day Change (%) | YTD (%) |
| CBO Repo Rate | | | 4.25 | S&P 500 | 7139 | -0.489 | 4.28 |
| O/N OMIBOR | | | 4 | Euro Stoxx 600 | 607 | -0.371 | 2.43 |
| *Bank Deposit Rates for 1 years | | | 3.75 | Shanghai Composite Index | 4095 | 0.396 | 3.17 |
| Bank Deposit Rates for 5 years | | | 3.90 | MSX-30 | 8228 | 1.089 | 40.25 |
| *Amount>500k OMR | | | | NIFTY-50 | 24087 | 0.382 | -7.82 |
| | | | | Brent Crude (\$/bbl) | 111.12 | -0.207 | 84.28 |
| | | | | Gold (\$/oz.) | 4598 | 0.017 | 6.44 |
| MBA Mortgage Applications | 15:00 | | 7.9% | DXY | 99 | 0.038 | 0.36 |
| Retail Inventories MoM | 16:30 | 0.1% | 0.2% | Silver(\$/oz.) | 74 | 0.864 | 2.85 |

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