

Bank Dhofar Morning Market Update



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Global Update

Stocks continued to advance while oil prices stayed below \$90 a barrel, after reports of a potential release of crude reserves aimed at easing high energy costs helped lift market sentiment following recent volatility. The MSCI Asia Pacific Index climbed 1.9% for a second consecutive session, boosted by a Wall Street Journal report that the International Energy Agency is considering the largest crude-reserve release in its history. US equity-index futures gained 0.5%. Brent crude fell 1% on Wednesday, extending the sharp 11% drop from the previous session. Technology shares — viewed as less vulnerable to the conflict in the Middle East — rallied strongly, with a regional tech gauge jumping 4%. Major names such as Tencent Holdings Ltd. were among the leaders. Investor confidence also improved after Oracle Corp. surged 8% in after-hours trading on stronger-than-expected revenue. Markets remained volatile as oil logged its sharpest single-day decline in four years on Tuesday, following mixed messaging from the Trump administration regarding the situation in Iran. Turbulence intensified after US Energy Secretary Chris Wright mistakenly posted — and subsequently deleted — a statement claiming that the US Navy had escorted an oil tanker through the Strait of Hormuz. The White House later acknowledged that no such operation had taken place, adding to uncertainty and fueling market swings.

Gold continued its rebound from the \$5,000 zone early Wednesday, supported by declining oil prices. The US Dollar weakened again as overall risk sentiment improved, with markets turning their attention to the upcoming US CPI release. The latest RSI reading near 57 remains comfortably above the 50 neutral line, signaling constructive — but not overextended — momentum following the recent pullback from late May highs. A stronger-than-expected reading in core annual or monthly CPI could diminish expectations for Fed rate cuts this year, potentially reigniting the US Dollar's upward trend. Under such conditions, Gold may slip back toward the \$5,000 support region, opening the door for further downside toward the 50-day SMA around \$4,915. On the other hand, if inflation eases more quickly than forecast, Gold could maintain its recovery trajectory. A continued improvement in price pressures would likely propel the metal toward the 78.6% Fibonacci resistance at \$5,342, especially if it breaks decisively above the \$5,250 psychological level.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1611	1.1632	1.1603	O/N SOFR	3.650	3.650
GBPUSD	1.3418	1.3453	1.3410	1 month SOFR	3.670	3.670
USDJPY	158.05	158.3900	157.92	3 month SOFR	3.662	3.662
USDINR	91.94	91.97	91.84	6 months SOFR	3.617	3.617
USDCNY	6.8645	6.8703	6.8615	12 month SOFR	3.518	3.518
USDCHE	0.7785	0.7789	0.7772	3 years IRS	3.370	3.381
AUDUSD	0.7120	0.7180	0.7113	5 years IRS	3.431	3.444
NZDUSD	0.5929	0.5945	0.5921	The yield on 10-year Treasuries declined two basis points to 4.14%		
The euro rose 0.2% to \$1.1629. The Japanese yen fell 0.1% to 158.22 per dollar. The offshore yuan rose 0.2% to 6.8659 per dollar.				Japan's 10-year yield advanced one basis point to 2.190%		
				Australia's 10-year yield declined one basis point to 4.84%		

				Global Markets			
			Current Levels	Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate			4.25	S&P 500	6781	-0.213	-0.94
O/N OMIBOR			4	Euro Stoxx 600	606	1.883	2.35
*Bank Deposit Rates for 1 years			3.75	Shanghai Composite Index	4125	0.053	3.94
Bank Deposit Rates for 5 years			3.90	MSX-30	7746	-0.208	32.04
*Amount > 500k OMR				NIFTY-50	24214	-0.195	-7.33
Calendar				Brent Crude (\$/bbl)	87.32	-0.558	44.74
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	5206	0.272	20.53
MBA Mortgage Applications	15:00		11.0%	DXY	99	-0.035	0.48
CPI MoM	16:30	0.3%	0.2%	Silver (\$/oz.)	88	0.057	23.32

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