

Bank Dhofar Morning Market Update



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Global Update

Asian equities rebounded as dip buyers stepped in after early weakness in chipmakers, signalling confidence that the record rally still has room to run, with MSCI Asia Pacific up 0.4% and South Korea outperforming as SK Hynix surged 7.6% to a record and Samsung Electronics gained 4.3%, while US and European equity futures extended gains after news that Nvidia CEO Jensen Huang will accompany President Donald Trump on a trip to China lifted Nvidia shares more than 3% on an alternate trading platform; meanwhile, global bonds remained under pressure after stronger-than-expected US core inflation reinforced bets that the Federal Reserve may raise rates next year, pushing Japan's 20-year yield to its highest level since 1997 and keeping US yields elevated with the two-year just under 4% and the 30-year near yearly highs; in FX and commodities, the pound held steady amid UK political uncertainty, the Indian rupee edged lower despite higher gold and silver import tariffs, Brent crude slipped around 1% to about \$106.50 a barrel, gold fell 0.4% to roughly \$4,700 an ounce and silver traded near \$86.70, underscoring a market backdrop where resilient risk appetite in equities—particularly AI and semiconductors—coexists with rising inflation risks and higher bond yields.

USD/JPY stalls its rally to four-day highs below 158.00 in Asian trading on Wednesday as traders digest comments from US Treasury Secretary Scott Bessent on undesirable volatility in the FX space, supporting the Japanese Yen. Meanwhile, a broadly subdued US Dollar and looming Japanese FX intervention risks also limit the pair's upside. USD/JPY trades around 159.62, retaining a modestly bullish tone across both short-term and daily timeframes as the pair holds above key reference levels; on the 15-minute chart, price remains above the day's open at 159.36, keeping an intraday bullish bias intact as higher closes persist within a tight range, while the Stochastic RSI sits near the mid-50s, pointing to recovering upside momentum rather than overbought conditions and keeping dip-buying interest alive as long as 159.36 is defended, with a break below that level opening room for a deeper intraday pullback toward prior lows; on the daily chart, the broader uptrend remains intact with price holding comfortably above the 50-day EMA at 158.44 and the 200-day EMA at 155.10, as the rebound in Stochastic RSI toward mid-50s signals renewed upside momentum following consolidation, leaving scope for a retest of recent highs, while a dip toward the 50-day EMA would still preserve the bullish structure unless a daily close slips below it, which would raise risks of a deeper corrective move toward the longer-term average.



Source: Reuters, Bloomberg

Currencies			Rates			
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1739	1.1742	1.1732	O/N SOFR	3.600	3.600
GBPUSD	1.3540	1.3546	1.3529	1 month SOFR	3.631	3.631
USDJPY	157.62	157.7800	157.57	3 month SOFR	3.644	3.644
USDINR	95.59	95.71	95.52	6 months SOFR	3.660	3.660
USDCNY	6.7930	6.7931	6.7916	12 month SOFR	3.729	3.729
USDCHF	0.7806	0.7812	0.7800	3 years IRS	3.809	3.815
AUDUSD	0.7240	0.7248	0.7231	5 years IRS	3.832	3.838
NZDUSD	0.5952	0.5966	0.5938	US 10-year yields climb as much as one basis point to 4.47%, the highest since March, after rising five basis points in New York. Japan's 10-year yield advanced 3.5 basis points to 2.580%. Australia's 10-year yield advanced four basis points to 5.07%.		

USD/JPY rose 0.1% to 157.71 after gaining 0.3%. USD/JPY should find support around 155, with initial resistance at its May 6 high, technical analysis shows. AUD/USD little changed at 0.7242. GBP/USD consolidated at 1.3539. EUR/USD was little changed at 1.1738

Global Markets							
	Current Levels		Level	1-Day Change (%)	YTD (%)		
CBO Repo Rate	4.25						
O/N OMIBOR	4	S&P 500	7401	-0.160	8.11		
*Bank Deposit Rates for 1 years	4.45	Euro Stoxx 600	607	-1.005	2.44		
		Shanghai Composite Index	4218	0.089	6.28		
Bank Deposit Rates for 5 years	4.00	MSX-30	8285	-0.343	41.22		
*Amount > 500k OMR		NIFTY-50	23390	0.043	-10.49		
Calendar		Brent Crude (\$/bbl)	106.42	-1.243	76.74		
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4699	-0.334	8.80
MBA Mortgage Applications	15:00		-4.4%	DXY	98	0.040	0.02
PPI Final Demand MoM	16:30	0.5%	0.5%	Silver (\$/oz.)	86	-0.119	20.50

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