Bank Dhofar Morning Market Update

Date: 16/06/26

Global Update

Asian markets turned volatile after Monday's sharp relief rally, as investors reassessed the sustainability of optimism following the US-Iran deal to reopen the Strait of Hormuz. Regional equities traded mixed, with the MSCI Asia index fluctuating after its strongest gain since early April, while US futures edged lower despite a strong Wall Street session where the S&P 500 rose 1.7% and the Nasdaq jumped 3.1%. Oil prices extended losses, with Brent slipping below $83/bbl as the easing of supply risks continues to unwind the geopolitical premium. In Japan, the Bank of Japan raised rates by 25 bps to around 1%, the highest level since 1995, but the yen struggled to sustain gains, reflecting still-wide rate differentials. Focus now shifts to a busy central bank week, with the Fed decision due Wednesday and the RBA expected to stay on hold amid softening growth signals.The broader tone remains cautiously positive, supported by hopes of de-escalation in the Middle East after the US-Iran agreement, which is expected to restore a key oil supply route handling roughly one-fifth of global flows. However, uncertainty around the durability of the deal is keeping risk appetite in check. Reflecting improved supply expectations, Morgan Stanley has cut its oil price forecasts, projecting Brent to trend lower as Hormuz flows normalize.

Gold is consolidating after a recent push higher, trading near $4,326 as profit-taking emerges and safe-haven demand softens amid easing geopolitical tensions. The rebound in the US dollar is adding pressure, limiting upside and reinforcing the pullback phase. From a technical standpoint, the outlook remains mildly bearish in the near term, with XAU/USD holding below all key moving averages (21/50/100/200-day), indicating that any rallies are likely corrective rather than trend-reversing. This alignment typically signals a broader downward bias and lack of sustained buying momentum. Momentum indicators also support this cautious view. The RSI in the mid-40s reflects neutral-to-soft momentum, suggesting gold is neither oversold nor positioned for a strong rebound, leaving room for further downside if selling pressure builds. On the topside, immediate resistance sits around $4,420–4,450, while a stronger supply zone emerges toward $4,580+. A sustained break above these levels would be needed to shift sentiment back to bullish. Overall, the bias remains sell-on-rallies, with the focus on USD strength and central bank policy expectations as key drivers in the near term.



Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1590	1.1599	1.1575
GBPUSD	1.3414	1.3420	1.3391
USDJPY	160.34	160.3700	160.05
USDINR	94.63	94.72	94.53
USDCNY	6.7597	6.7623	6.7594
USDCHF	0.7945	0.7959	0.7935
AUDUSD	0.7073	0.7076	0.7042
NZDUSD	0.5823	0.5834	0.5795

The euro fell 0.1% to $1.1577.The Japanese yen was little changed at 160.29 per dollar.The offshore yuan was little changed at 6.7623 per dollar.The British pound fell 0.1% to $1.3395

Rates

	Last Price	Previous Day Close
O/N SOFR	3.650	3.650
1 month SOFR	3.633	3.633
3 month SOFR	3.670	3.670
6 months SOFR	3.751	3.751
12 month SOFR	3.914	3.914
3 years IRS	3.911	3.909
5 years IRS	3.917	3.913

The yield on 10-year Treasuries was little changed at 4.47%.Germany's 10-year yield declined four basis points to 2.95%.Japan's 10-year yield advanced seven basis points to 2.645%.Australia's 10-year yield advanced one basis point to 4.82%.

Global Markets

	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	4.00

*Amount>500k OMR

	Level	1-Day Change (%)	YTD (%)
S&P 500	7554	1.653	10.35
Euro Stoxx 600	634	0.194	7.13
ShanghaiComposite Index	4087	-0.235	2.97
MSX-30	7618	-0.680	29.85
NIFTY-50	23935	0.342	-8.40
Brent Crude ($/bbl)	82.69	-0.553	37.41
Gold ($/oz.)	4317	0.132	-0.05
DXY	100	0.147	1.48
Silver($/oz.)	69	-0.864	-3.17

Calendar

Key Data Watch	Time (GST)	Expected	Prior
ADP Weekly Employment Change	16:15		29.00k
Import Price Index MoM	16:30	1.0%	1.9%

For any Treasury related requirement, please contact:
Telephone: +968 2265 2721/2722/2731/2716

Disclaimer: Any information contained in this document should not be construed as an offer, invitation, solicitation, or advice of any kind to buy or sell any financial products or services offered by Bank Dhofar S.A.O.G ("Bank Dhofar S.A.O.G"), unless specifically stated so. Foreign exchange and derivative transactions involve numerous risks including among others, market, counterparty default and illiquidity risk. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You may consider asking advice from your advisers in making this assessment. No part of this report/document may be copied or redistributed by any recipient for any purpose without Bank Dhofar S.A.O.G's prior written consent. All information contained in this document has been obtained from official sources believed to be accurate and reliable and Bank Dhofar S.A.O.G makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Opinions, estimates and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Bank Dhofar S.A.O.G and are subject to change without notice.