

Bank Dhofar Morning Market Update



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Global Update

MSCI's Asia Pacific Index dropped the most in three months as shares from Hong Kong to Japan and South Korea slumped. Futures contracts for US and European stocks steadied in Asian trading after the S&P 500 erased earlier gains and fell more than 1% in a volatile session. A slew of China's economic indicators showed that the nation's economic rebound remains patchy. While both gross domestic product and fixed assets investment beat forecasts, data on retail sales and industrial output fell short of estimates. The impact spilled over the region's currencies, with a gauge of emerging-markets currencies falling to fresh lows for the year. Volatility perked up, with the premium for one-month put options to protect against a pullback in US equities hitting the highest since October. Wall Street's "fear gauge" — the VIX — hit levels unseen this year. The S&P 500 broke below 5,100, dropping to the lowest in almost two months. The tech-heavy Nasdaq 100 slid over 1.5%. Both gauges breached their 50-day moving averages — seen as a bearish signal by several chartists. Banks outperformed on a surprise profit from Goldman Sachs Group Inc. US retail sales rose by more than forecast in March and the prior month was revised higher, showcasing resilient consumer demand that keeps fueling a surprisingly strong economy.

Intraday bias in USD/JPY remains on the upside at this point. Current up trend is in progress for 155.20 fibonacci projection level next. On the downside, below 153.37 minor support will turn intraday bias neutral and bring consolidations again, before staging another rally. In the bigger picture, current rise from 140.25 is seen as the third leg of the up trend from 127.20 (2023 low). Next target is 61.8% projection of 127.20 to 151.89 from 140.25 at 155.20.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0624	1.0628	1.0606	O/N SOFR	5.310	5.310

GBPUSD	1.2446	1.2450	1.2421	1 month SOFR	5.316	5.319
USDJPY	154.28	154.42	154.13	3 month SOFR	5.317	5.328
USDINR	83.51	83.54	83.49	6 months SOFR	5.282	5.303
USDCNY	7.2396	7.2405	7.2305	12 month SOFR	5.172	5.209
USDCHF	0.9116	0.9137	0.9114	3 years IRS	4.610	4.610
AUDUSD	0.6442	0.6447	0.6408	5 years IRS	4.368	4.368
NZDUSD	0.5904	0.5908	0.5874			

JPY remained under pressure, after surging to a new 34-year low against the dollar overnight at 154.32.

Japan's finance minister warned that he's ready to take all available measures in the foreign exchange market if needed. The Indonesian rupiah weakened past 16,000 per dollar for the first time since 2020. The South Korean won dropped to its lowest since 2022. The euro fell 0.1% to \$1.0610. The offshore yuan fell 0.2% to 7.2726 per dollar. The Australian dollar fell 0.4% to \$0.6417

Treasury 10-year yields spiked on Monday, while those on two-year notes came close to 5%. Bonds were also under pressure as JPMorgan Chase & Co. and Wells Fargo & Co. tapped the US high-grade bond market, the first in a likely parade of bond sales from banks after results. The yield on 10-year Treasuries was little changed at 4.61%

Japan's 10-year yield advanced one basis point to 0.865% Australia's 10-year yield advanced five basis points to 4.31%.

OMR Money Markets

	Current Levels
CBO Repo Rate	6
O/N OMIBOR	5.5875
*Bank Deposit Rates for 1 years	5.25
Bank Deposit Rates for 5 years	5.00

*Amount>500k OMR

Calendar

Key Data Watch	Time (GST)	Expected	Prior
Housing Starts	16:30	1485k	1521k
Building Permits	16:30	1510k	1518k

Source: Reuters, Bloomberg

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	5062	-1.202	6.12
Euro Stoxx 600	506	0.135	5.62
Shanghai Composite Index	3014	-1.424	1.31
MSX-30	4728	0.577	4.73
NIFTY-50	22198	-0.335	2.15
Brent Crude (\$/bbl)	90.59	0.555	18.22
Gold (\$/oz.)	2385	0.062	15.60
DXY	106	0.110	4.93
Silver(\$/oz.)	29	-0.525	20.70

For any Treasury related requirement, please contact:

Telephone: +968 2265 2721/2722/2731/2716

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