

Bank Dhofar Morning Market Update



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Global Update

Asian shares gained, led by Japan, as US President Donald Trump floated a potential pause in auto tariffs, providing further relief to the market after suspending levies on some consumer electronics. Indexes in Japan rose more than 1% with companies such as Toyota Motor Corp. and Honda Motor Co. jumping. Shares in China and Hong Kong fluctuated while futures contracts for the US and Europe pared earlier losses. Treasuries climbed, and a gauge of the dollar edged higher to trim some of its decline on Monday. Markets are consolidating as the exemptions raised hopes there may be room for negotiations after the president’s reciprocal tariffs this month wiped \$10 trillion off global equities and spurred a rout in Treasuries. Still, the flip-flops are keeping investors on edge and business leaders including JPMorgan Chase & Co.’s Jamie Dimon have warned that Trump’s effort to remake the global trading order may push the US into a recession. The Bank of Japan will probably leave aside raising interest rates for now due to the uncertainties, according to a former executive director. The Asian nation is set for talks with the US this week. In commodities, oil rose after a tepid session on Monday amid the prospect of looser restrictions on Iranian crude. Gold rose to trade just below a record high in demand for safe havens at \$3,229.23 an ounce.

Copper edged higher by 0.4% to settle at \$9,187 a ton on the London Metal Exchange after President Donald Trump handed out exemptions to his punishing tariffs on some products, nudging up sentiment across financial markets. China-led buying has helped to shore up sentiment on copper even as worries about a deepening trade war continue to swirl. The country’s March trade data released Monday showed that metals exporters front-loaded shipments in anticipation of worsening trade frictions in the last full month before the US tariffs make an impact.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1351	1.1361	1.1316	O/N SOFR	4.330	4.370
GBPUSD	1.3190	1.3215	1.3164	1 month SOFR	4.322	4.322
USDJPY	143.06	143.5900	142.94	3 month SOFR	4.256	4.256
USDINR	85.85	85.88	85.59	6 months SOFR	4.098	4.098
USDCNY	7.3062	7.3143	7.3062	12 month SOFR	3.851	3.851
USDCHF	0.8149	0.8181	0.8140	3 years IRS	3.586	3.580
AUDUSD	0.6328	0.6371	0.6316	5 years IRS	3.637	3.642

The US currency’s role as the bedrock of the global financial system is being undermined by President Donald Trump’s trade war. The damage done to the dollar’s status as a haven is so severe that the currency is likely to embark on a sustained decline. The Bloomberg Dollar Spot Index was little changed. The euro was little changed at \$1.1348. The Japanese yen was little changed at 143.13 per dollar. The offshore yuan was little changed at 7.3138 per dollar.

The yield on 10-year Treasuries declined three basis points to 4.35%. Australia’s 10-year yield declined eight basis points to 4.32%. S&P 500 futures were little changed as of 1 p.m. Tokyo time. Japan’s Topix rose 1.3%. Australia’s S&P/ASX 200 rose 0.4%. More Japanese companies including Tepco Power Grid Inc. halted planned yen bond sales as debt market volatility sparked by the global trade war made investors risk averse. The premium that investors demand to hold Japan’s 30-year government bonds over five-year notes has widened to the most in over two decades as global volatility and fiscal concerns drive up super-long yields.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.25	S&P 500	5406	0.794	-8.09
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	500	2.689	-1.52
				ShanghaiComposite Index	3261	-0.069	-2.72
Bank Deposit Rates for 5 years			4.50	MSX-30	4276	0.006	-6.56
*Amount>500k OMR				NIFTY-50	23327	2.183	-1.34
Calendar				Brent Crude (\$/bbl)	65.06	0.293	-11.54
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3229	0.558	23.03
US Import Price Index YoY	16:30	0.0%	0.3%	DXY	100	0.038	-8.12
UK Jobless Claims Change	10:00	-	22k	Silver(\$/oz.)	32	-0.029	11.89
For any Treasury related requirement, please contact: Telephone: +968 2265 2721/2722/2731/2716							

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