

Bank Dhofar Morning Market Update



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Global Update

Stocks in Asia fell on Thursday for the first time in five sessions as the rally on Wall Street sparked by US-China trade talks showed signs of exhaustion. Japanese and Chinese stocks and US futures fell, reflecting a note of caution in a week marked by a sharp rebound in risk assets fueled by progress in trade talks and economic resilience. Lurking in the background is the worry that stocks get so extended that they're vulnerable to surprises. European equity futures were slightly lower. China on Wednesday suspended curbs on exports of rare earths and other goods and technologies for military use. The move followed an agreement by the Asian nation and the US to temporarily lower tariffs levied against each other's products and will last for 90 days, China's Ministry of Commerce said in a statement.

Intraday bias in USD/CHF stays neutral at this point. On the downside, firm break of 0.8333 resistance turned support will argue that corrective rebound from 0.8038 has completed at 0.8475, after rejection by 38.2% retracement of 0.9200 to 0.8038 at 0.8482. Intraday bias will be back on the downside for 0.8184, and then retest of 0.8038 low. However, sustained trading above 0.8482 will dampen this bearish view and target 61.8% retracement at 0.8756 next. In the bigger picture, long term down trend from 1.0342 is still in progress and met 61.8% projection of 1.0146 to 0.8332 from 0.9200 at 0.8079 already. In any case, outlook will stay bearish as long as 55 W EMA (now at 0.8750) holds. Sustained break of 0.8079 will target 100% projection at 0.7382.



Source: Reuters, Bloomberg

| Currencies | | | | Rates | | |
|------------|--------|----------|--------|---------------|------------|--------------------|
| | Open | High | Low | | Last Price | Previous Day Close |
| EURUSD | 1.1175 | 1.1201 | 1.1173 | O/N SOFR | 4.300 | 4.290 |
| GBPUSD | 1.3263 | 1.3287 | 1.3259 | 1 month SOFR | 4.329 | 4.329 |
| USDJPY | 146.75 | 146.7500 | 145.94 | 3 month SOFR | 4.326 | 4.326 |
| USDINR | 85.54 | 85.70 | 85.52 | 6 months SOFR | 4.252 | 4.252 |
| USDCNY | 7.2090 | 7.2179 | 7.2090 | 12 month SOFR | 4.054 | 4.054 |
| USDCHF | 0.8423 | 0.8426 | 0.8390 | 3 years IRS | 3.778 | 3.781 |
| AUDUSD | 0.6428 | 0.6458 | 0.6416 | 5 years IRS | 3.811 | 3.812 |

An index of the dollar fell Thursday, retracing a Wednesday rally, as the greenback weakened against most Group of 10 currencies.

Federal Reserve Bank of San Francisco President Mary Daly said the strength of the US economy allows policymakers to be patient as they wait

The yen firmed to around 146 per dollar. The Australian dollar rallied on stronger-than-expected jobs data. In further signs of thawing trade tensions, the euro rose 0.2% to \$1.1195. The Japanese yen rose 0.4% to 146.13 per dollar. The offshore yuan was little changed at 7.2096 per dollar. GBP/USD gains 0.1% to 1.3273.

| | Current Levels |
|---------------------------------|----------------|
| CBO Repo Rate | 5 |
| O/N OMIBOR | 4.25 |
| *Bank Deposit Rates for 1 years | 4.25 |
| Bank Deposit Rates for 5 years | 4.50 |
| *Amount>500k OMR | |

| Calendar | | | |
|--------------------------|------------|----------|-------|
| Key Data Watch | Time (GST) | Expected | Prior |
| Empire Manufacturing | 16:30 | -8.0 | -8.1 |
| Retail Sales Advance MoM | 16:30 | 0.0% | 1.4% |

for more evidence of how the Trump administration's policies will affect businesses and households. US 2-year yields are little changed at 4.04% while 10-year yields fall 1bp to 4.53%. In Wednesday's US trading session, 2-year yields added 5bps while 10-year yields rose 7bps. Japan's 10-year yield advanced 2.5 basis points to 1.475%. Australia's 10-year yield advanced six basis points to 4.54%

| Global Markets | | | |
|--------------------------|-------|------------------|---------|
| | Level | 1-Day Change (%) | YTD (%) |
| S&P 500 | 5893 | 0.102 | 0.19 |
| Euro Stoxx 600 | 544 | -0.237 | 7.14 |
| Shanghai Composite Index | 3383 | -0.622 | 0.92 |
| MSX-30 | 4397 | 0.824 | -3.92 |
| NIFTY-50 | 24704 | 0.151 | 4.48 |
| Brent Crude (\$/bbl) | 64.39 | -2.557 | -12.08 |
| Gold (\$/oz.) | 3135 | -1.317 | 19.47 |
| DXY | 101 | -0.120 | -6.98 |
| | | | |
| Silver(\$/oz.) | 32 | -1.287 | 10.07 |

For any Treasury related requirement, please contact:
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