

# Bank Dhofar Morning Market Update



Date: 23/12/25

## Global Update

Stocks in Asia climbed for a third day after bullish momentum lifted shares on Wall Street, indicating that a much-expected year-end rally was taking hold. The yen strengthened. MSCI Inc.'s gauge of Asia Pacific stocks rose 0.6% on Tuesday after a global index set a fresh closing record. US futures were steady after the S&P 500 added 0.6% overnight. In commodities, gold advanced to yet another all-time high — the 50th day it's broken records this year. Silver also hit a new peak. The Japanese yen remained a key focus for currency traders, rising for a second day to strengthen past the 157-per dollar level. That was after Finance Minister Satsuki Katayama said in an interview the nation has a "free hand" to take bold action against currency moves. The comments were her strongest warning yet to speculators following the yen's weakening to as much as 157.78 even after the central bank hiked interest rates on Friday. The upbeat mood among equity investors helped the S&P 500 erase December losses overnight and put it on course for an eighth straight month of gains, which would mark the longest winning run since 2018. Tesla Inc. and Nvidia Corp. led megacaps higher. After another strong year for stocks, the big question is whether investors will carry that positive mood into 2026. Positioning in equities is rising and fund managers are maintaining record low levels of cash. Their expectations of a further rally are outweighing concerns over rich tech valuations. The Federal Reserve path is also being closely watched, with two rate cuts priced for next year.

USD/JPY keeps pushing lower, while under 156.50 in the Asian session on Tuesday. The Japanese Yen extends gains after Japan's officials warned against "one-sided and sharp" currency moves, raising fears of a forex market intervention. The Japanese Yen (JPY) trades firmer against the US Dollar (USD) on Monday, as Japanese officials stepped up verbal warnings against excessive currency moves, underscoring growing unease over the Yen's recent weakness. At the time of writing, USD/JPY trades near 156.95, easing back after climbing to near one-month highs on Friday following the Bank of Japan's (BoJ) interest rate hike. Over recent weeks, Japanese authorities have repeatedly signaled their readiness to act against "one-sided and excessive" currency moves. Speaking on Monday, Japan's Finance Minister Satsuki Katayama said authorities are "absolutely ready" to take action, adding that Japan can act in line with the US-Japan joint accord and has a "free hand" to take bold measures to stabilise the Yen.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1762	1.1781	1.1755	O/N SOFR	3.660	#N/A N/A
GBPUSD	1.3461	1.3493	1.3460	1 month SOFR	3.729	3.729
USDJPY	157.05	157.0800	155.96	3 month SOFR	3.685	3.685
USDINR	89.64	89.76	89.60	6 months SOFR	3.599	3.599
USDCNY	7.0380	7.0380	7.0285	12 month SOFR	3.431	3.431

USDCHF	0.7919	0.7928	0.7894
AUDUSD	0.6657	0.6671	0.6655
NZDUSD	0.5794	0.5817	0.5788

USD/JPY down 0.7% to 156.02 after Japanese Finance Minister Satsuki Katayama said the country has a “free hand” to take bold action against currency moves that are not in line with fundamentals.AUD/USD +0.2% to 0.6669 with resistance at 0.6686-0.6707, an area covering its Sept. 17 and Dec. 10 highs.EUR/USD +0.1% to 1.1777.GBP/USD +0.2% at 1.3491.

Current Levels	
CBO Repo Rate	4.5
O/N OMIBOR	4
*Bank Deposit Rates for 1 years	4.00
Bank Deposit Rates for 5 years	4.00

\*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
ADP Weekly Employment Change	17:15		16.25K
GDP Annualized QoQ	17:30	3.3%	3.8%

3 years IRS	3.339	3.341
5 years IRS	3.441	3.447

Treasury 10-year yields rose 1.8bps to 4.16%; while the 5s30s curve flattened 0.5bps to 112.4bps.The yield on 10-year Treasuries was little changed at 4.15%.Australia’s 10-year yield declined three basis points to 4.76%.Australian bond futures edge higher as yields ease after December RBA minutes brought little new information to next year’s policy considerations. The minutes confirmed hawkish-leaning tone already well telegraphed by Governor Bullock two weeks ago.

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6878	0.644	16.95
Euro Stoxx 600	587	-0.128	15.59
ShanghaiComposite Index	3931	0.345	17.28
MSX-30	5944	-0.241	29.89
NIFTY-50	26181	0.034	10.73
Brent Crude (\$/bbl)	61.99	-0.097	-13.02
Gold (\$/oz.)	4484	0.915	70.86
		-0.229	
DXY	98		-9.61
Silver(\$/oz.)	70	0.917	141.06

**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.