

Bank Dhofar Morning Market Update



Date: 21/01/26

Global Update

Asian shares fell 0.6%, even as chipmakers such as Samsung Electronics Co. gained. Japanese shares were also well off their session lows. Haven demand continued, with gold rising to yet another record high and silver trading near an all-time peak. President Donald Trump's threat to impose tariffs on European nations that rejected his proposal to purchase Greenland has unsettled markets, prompting investors to reassess risk after an AI-fueled rally took global stocks to all-time highs. The selloff in Japanese bonds compounded the pressure, adding to strains driven by uncertainty over US policy and trade. While traders have been able to get past a whirlwind of other unexpected developments this year — including the White House's capture of Venezuela's leader and its renewed attacks on the Federal Reserve — Tuesday's moves suggest that investors' willingness to shrug off earlier shocks is beginning to erode. After the meltdown in Japanese bonds during the Asian session, stocks fell in Europe and the US. Bond yields jumped.

Then there was also news that a Danish pension fund was planning to exit Treasuries.

Gold price climbs to near \$4,775 during the early Asian trading hours on Wednesday. The precious metal extends the rally and is poised for another record high amid a time of political and economic uncertainty. The speech by US President Donald Trump at the World Economic Forum in Davos, Switzerland, will be in the spotlight later on Wednesday. From a technical point of view, XAU/USD is overextended but still bullish. In the 4-hour chart, XAU/USD develops above all its moving averages, with the 20-period Simple Moving Average (SMA) climbing above the 100- and 200-period SMAs. The 20-period SMA offers dynamic support at \$4,653.79, followed by the 100-period SMA at \$4,506.90 and the 200-period SMA at \$4,411.78. At the same time, the Relative Strength Index (RSI) indicator maintains its bullish slope at 73, while the Momentum indicator also aims firmly higher at extremes, without signs of upward exhaustion. In the daily chart, XAU/USD trades far above all its moving averages, with the 20-day SMA accelerating north above the 100- and 200-day SMAs, while providing support at \$4,497. At the same time, the RSI indicator and the Momentum indicator keep heading firmly north, despite being at extreme levels, hinting at higher highs ahead.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1725	1.1734	1.1711	O/N SOFR	3.650	0.000
GBPUSD	1.3439	1.3457	1.3433	1 month SOFR	3.673	3.673
USDJPY	158.16	158.2800	157.86	3 month SOFR	3.670	3.670
USDINR	91.08	91.38	91.08	6 months SOFR	3.630	3.630

USDCNY	6.9651	6.9671	6.9637	12 month SOFR	3.505	3.505
USDCHF	0.7898	0.7917	0.7890	3 years IRS	3.451	3.461
AUDUSD	0.6737	0.6744	0.6728	5 years IRS	3.575	3.588
NZDUSD	0.5832	0.5836	0.5821			

The euro was little changed at \$1.1720. The Japanese yen was little changed at 158.07 per dollar. The offshore yuan fell 0.1% to 6.9632 per dollar. USD/CHF reversed a 0.1% intraday loss as the dollar recovered, while AUD/USD eased 0.1%. GBP/USD was little changed before UK CPI data. Bloomberg Dollar Spot Index was also little changed.

Yields on 40-year Japanese debt fell after Finance Minister Satsuki Katayama called for calm following a rout that had pushed super-long yields to all-time highs. Japan's 10-year yield declined six basis points to 2.310%. The yield on 10-year Treasuries declined two basis points to 4.28%. Australia's 10-year yield declined one basis point to 4.77%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	6797	-2.063	-0.71
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	603	-0.702	1.79
Bank Deposit Rates for 5 years			4.00	ShanghaiComposite Index	4120	0.157	3.81
*Amount>500k OMR				MSX-30	6246	0.213	6.47
				NIFTY-50	25160	-0.287	-3.71
				Brent Crude (\$/bbl)	64.18	-1.125	5.49
				Gold (\$/oz.)	4864	2.113	12.61
						-0.046	
				DX	99		0.28
				Silver(\$/oz.)	94	-0.072	31.90

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
MBA Mortgage Applications	16:00		28.5%
Construction Spending MoM	19:00	0.1%	

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.