

Bank Dhofar Morning Market Update



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Global Update

Stocks in Asia advanced to follow Wall Street's tech-led rebound from a selloff that shook global markets, as focus turns to the Federal Reserve's rate decision and US mega-cap earnings. Japanese and Australian shares rose. Most other major markets in the region are closed for Lunar New Year holidays. US equity futures fell slightly after the S&P 500 rose 0.9% and Nasdaq 100 advanced 1.6% on Tuesday, as Nvidia Corp. rallied 8.9% following the largest one-day value loss in history. Shares rebounded after a rough start to the week, sparked by concerns over an artificial intelligence-model from Chinese startup DeepSeek. However, investors like Steve Cohen see the development as a boon for the industry. Focus shifts to the Fed decision and Big Tech earnings, starting Wednesday. Fed officials are widely expected to hold borrowing costs steady on Wednesday against a backdrop of healthy demand and stubborn inflation. Bond traders are ratcheting up bullish bets on US Treasuries in hopes that Fed Chair Jerome Powell signals a cut in March is firmly on the table. The yield on 10-year Treasuries inched lower. West Texas Intermediate crude rose 1% to \$73.93 a barrel. Spot gold rose 0.8% to \$2,763.63 an ounce. In Japan, the benchmark repurchase-agreement rate surged the most in 16 months, indicating that bond crunch has eased. It fell more than 30 basis points in the past two days amid signs that investors rushed to borrow bonds to close out bearish positions on these securities.

GBP/USD: 1.2445 dollars per British pound (0.8035 British pound per dollar). Today the British pound lost 0.44% vs. the dollar, largest one-day percentage decline since Friday, Jan. 17, 2025. Off 16.33% since the pre-Brexit vote level of 1.49 on Thursday, June 23, 2016. Moreover, year-to-date the British pound is down 0.55% vs the dollar.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0430	1.0443	1.0426	O/N SOFR	4.350	4.340
GBPUSD	1.2443	1.2454	1.2435	1 month SOFR	4.310	4.313
USDJPY	155.54	155.7900	155.31	3 month SOFR	4.287	4.294
USDINR	86.58	86.62	86.57	6 months SOFR	4.230	4.246
USDCNY	7.2560	7.2675	7.2444	12 month SOFR	4.139	4.180
USDCHF	0.9042	0.9050	0.9032	3 years IRS	4.019	4.019

AUDUSD	0.6253	0.6256	0.6227	5 years IRS	4.022	4.022
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In Australia, core inflation eased by more than expected in the final three months of 2024. The Australian dollar dropped and the policy-sensitive three-year yield fell 5 basis points on bets that the Reserve Bank may embark on a monetary easing cycle soon. The euro was little changed at \$1.0437. The Japanese yen rose 0.1% to 155.38 per dollar. The offshore yuan rose 0.2% to 7.2631 per dollar. The Singapore dollar led losses as the dollar strengthened after US President Donald Trump said he wanted higher universal tariffs.

The yield on 10-year Treasuries declined one basis point to 4.52%. Japan's 10-year yield was little changed at 1.195. Australia's 10-year yield declined six basis points to 4.36%. In corporate news, Sony Group named President Hiroki Totoki as CEO, effective April 1. The company was one of the top performers on the Nikkei 225 index Wednesday, while software and gaming stocks rose. S&P 500 futures were little changed as of 12:48 p.m. Tokyo time. Australia's S&P/ASX 200 rose 0.7%. Hong Kong's Hang Seng rose 0.1%. Euro Stoxx 50 futures were little changed.

	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	4.00

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
Fed Interest on Reserve Balances Rates	23:00	4.4%	4.65%
FOMC Rate Decision (Upper Bound)	23:00	4.5%	4.75%

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6068	0.922	3.16
Euro Stoxx 600	532	0.361	4.72
ShanghaiComposite Index	3251	-0.062	-3.02
MSX-30	4566	0.106	-0.23
NIFTY-50	23041	0.364	-2.55
Brent Crude (\$/bbl)	77.34	-0.219	3.59
Gold (\$/oz.)	2763	-0.016	5.28
DXY	108	-0.068	-0.64
Silver(\$/oz.)	30	0.055	5.31

For any Treasury related requirement, please contact:

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