

Bank Dhofar Morning Market Update



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Global Update

Asian shares climbed to a record as cheaper valuations and regional growth prospects drew investors broadening their focus beyond US markets. The MSCI Asia Pacific Index advanced 1% to an all-time high, with most subsectors gaining. Asian shares have outpaced the S&P 500 this year, even as the US benchmark also hit a record high. Gold and silver pared earlier losses as Citigroup Inc. issued a bullish outlook for them. Asian shares, relatively cheaper even after three years of gains, face key risks this week from US inflation data and a possible Supreme Court ruling on President Donald Trump's tariffs. The momentum in stocks suggested investors are looking beyond the US, where renewed attacks by the Trump administration on the Federal Reserve have raised concerns over central-bank independence. Asian shares are cheaper compared with US benchmarks. The US core consumer price index, regarded as a measure of underlying inflation because it strips out volatile food and energy costs, is seen rising 2.7% in December from a year earlier. Fourth-quarter US earnings, meanwhile, kick off in earnest later this week and are expected to show healthy performance, according to Michael Casper and Wendy Soong at Bloomberg Intelligence.

USD/JPY extends gains above 158.50 in the Asian session on Tuesday. The Japanese Yen softens against the US Dollar amid political concerns in Japan, despite the Tokyo jawboning. Traders look forward to the US Consumer Price Index inflation data for December, which is due later on Tuesday. From a technical perspective, USD/JPY remains in a steady uptrend, trading well above its key moving averages on the daily chart. The 21-day Simple Moving Average (SMA), near 156.48, is acting as immediate support. A decisive break below this level could expose the December low around 154.50, followed by a strong demand zone near 153.00, which closely aligns with the 100-day SMA at 152.73.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1667	1.1671	1.1657	O/N SOFR	3.640	0.000
GBPUSD	1.3465	1.3479	1.3462	1 month SOFR	3.671	3.671
USDJPY	158.14	158.9100	157.90	3 month SOFR	3.652	3.652
USDINR	90.25	90.27	90.21	6 months SOFR	3.592	3.592
USDCNY	6.9762	6.9784	6.9756	12 month SOFR	3.445	3.445
USDCHF	0.7974	0.7980	0.7969	3 years IRS	3.395	3.394

AUDUSD	0.6711	0.6717	0.6707	5 years IRS	3.504	3.503
NZDUSD	0.5772	0.5780	0.5771	Japanese government bonds dropped on Tuesday as rising political risks reignited investor concerns over fiscal policy.US 2-year yields steady at 3.53% while 10-year yields are little changed at 4.18%. Japan’s 10-year yield advanced five basis points to 2.140%.Australia’s 10-year yield was little changed at 4.70%		
The yen underperformed its Group-of-10 peers amid speculation a snap election would lead to higher fiscal outlay and faster inflation.The currency fell to 158.82 per dollar after local media reported Takaichi, who has sought to mitigate the impact of rising costs of living with a stimulus package, may call for a vote.						

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	6977	0.158	1.92
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	611	0.210	3.17
				ShanghaiComposite Index	4164	-0.035	4.91
Bank Deposit Rates for 5 years			4.00	MSX-30	6193	0.468	5.55
*Amount>500k OMR				NIFTY-50	25763	-0.105	-1.40
				Brent Crude (\$/bbl)	64.09	0.360	5.34
Calendar				Gold (\$/oz.)	4598	0.007	6.45
						0.105	
Key Data Watch	Time (GST)	Expected	Prior	DXY	99		0.66
ADP Weekly Employment Change	17:15						
CPI MoM	17:30	0.3%		Silver(\$/oz.)	86	0.687	19.57

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