

Bank Dhofar Morning Market Update



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Global Update

Asian equities climbed to a record and the dollar declined ahead of Wednesday's US jobs report after weak retail sales reinforced bets that the Federal Reserve will cut interest rates later this year. The MSCI Asia Pacific Index rose 0.9% to an all-time high, widening its year-to-date outperformance versus European and US equities. A gauge for emerging markets also climbed to a record as the momentum seemed set to carry over to Wall Street with futures contracts for the S&P 500 and the Nasdaq 100 indexes advancing.

Treasury futures extended their gains after 10-year bond yields dropped to the lowest in about a month in the US session. There's no cash trading in Treasuries during the Asian day as Japan is closed for a holiday. Gold, which typically benefits when rates are lowered, rose 0.6% as money markets see slightly higher odds of three Fed cuts this year — with two already fully priced in. The dollar weakened against all its Group-of-10 peers. Unexpectedly weak December retail sales on Tuesday pointed to softer consumer momentum as the year ended, reinforcing expectations the Fed may ease rates later this year. Attention now turns to the jobs report and inflation data later this week for more signals on the policy outlook, even as equities waver on concerns over heavy artificial-intelligence spending by technology firms.

Gold remains capped below \$5,100 early Wednesday, gathering pace for the US labor data. The US Dollar licks its wounds amid persistent Japanese Yen strength and potential downside risks to the US jobs report. The 21-day Simple Moving Average (SMA) rises above the 50-, 100-, and 200-day readings, reinforcing a bullish alignment while price holds north of all key measures. All SMAs slope higher, with the 21-day SMA at \$4,918.36 offering nearby dynamic support. The Relative Strength Index (14) prints 57.73, neutral-to-bullish, edging higher and supporting upward momentum without reaching overbought. Measured from the \$5,597.89 high to the \$4,401.99 low, the 50% retracement sits at \$4,999.94, with the 61.8% retracement at \$5,141.05 capping the next leg higher. If follow-through fades ahead of that barrier, initial support would come from the rising 21-day SMA at \$4,918.36, keeping the broader uptrend bias intact while above that floor.



Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1895	1.1915	1.1886
GBPUSD	1.3643	1.3670	1.3632
USDJPY	154.39	154.5200	153.34

Rates

	Last Price	Previous Day Close
O/N SOFR	3.630	#N/A N/A
1 month SOFR	3.660	3.660
3 month SOFR	3.643	3.643

USDINR	90.56	90.62	90.47
USDCNY	6.9140	6.9164	6.9113
USDCHF	0.7680	0.7689	0.7659
AUDUSD	0.7075	0.7128	0.7067
NZDUSD	0.6044	0.6066	0.6037

The euro rose 0.1% to \$1.1911. The Japanese yen rose 0.5% to 153.57 per dollar. The offshore yuan was little changed at 6.9104 per dollar. The Australian dollar rose 0.7% to \$0.7125. GBP/USD advances past mid 1.36-1.37.

6 months SOFR	3.581	3.581
12 month SOFR	3.431	3.431
3 years IRS	3.305	3.304
5 years IRS	3.427	3.426

Treasury futures edge higher with cash markets in Japan closed for a public holiday. In Tuesday's US trading session US 2-year yields ended down 3bps to 3.46% while 10-year yields fell 6bps to 4.15%. Australia's 10-year yield declined seven basis points to 4.76%.

Current Levels	
CBO Repo Rate	4.25
O/N OMIBOR	4
*Bank Deposit Rates for 1 years	3.75
Bank Deposit Rates for 5 years	3.75

*Amount>500k OMR

	Level	1-Day Change (%)	YTD (%)
S&P 500	6942	-0.330	1.41
Euro Stoxx 600	621	-0.071	4.86
ShanghaiComposite Index	4138	0.222	4.25
MSX-30	6892	1.942	17.48
NIFTY-50	25951	0.063	-0.68
Brent Crude (\$/bbl)	69.32	0.770	14.61
Gold (\$/oz.)	5057	0.634	17.08
		-0.185	
DXY	97		-1.73
Silver(\$/oz.)	83	2.214	15.26

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