

Bank Dhofar Morning Market Update



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Global Update

Benchmark gauges in Japan rose more than 5%, along with futures contracts for the US and Europe. Equities in Hong Kong and China advanced as state-linked funds scooped up assets and the central bank promised loans to help stabilize the market. Volatility has surged with \$10 trillion wiped off global equities after the US unveiled sweeping tariffs last week. President Donald Trump has threatened to slap an additional 50% tariffs on China, while dangling the prospects of some negotiations. Japanese shares jumped as Trump assigned two members of his cabinet to kick off bilateral trade talks after a call with Prime Minister Shigeru Ishiba. Japan appeared set to get priority over other US trading partners in talks on tariffs, putting Tokyo at the head of a long queue of nations seeking to roll back the levies. Meanwhile, in signs that Beijing is gearing up for prolonged trade tension, its state-backed funds pledged to buy local equities and exchange-traded funds. The central bank said it will provide support to a sovereign fund when it's necessary, in order to safeguard the stability of capital markets. It also allowed the yuan to weaken through a lower reference rate.

USD/JPY is extending consolidations above 144.54 temporary low and intraday bias remains neutral. Upside of recovery should be limited below 151.28 resistance. On the downside, below 144.54 will resume the fall from 158.86 and target 61.8% projection of 158.86 to 146.52 from 151.20 at 143.57. Break there will target 139.57 low. Strong support should be seen from 38.2% retracement of 102.58 to 161.94 at 139.26 to bring rebound. However, sustained break of 139.26 would open up deeper medium term decline to 61.8% retracement at 125.25.



Source: Reuters, Bloomberg

Currencies

| | Open | High | Low |
|--------|--------|----------|--------|
| EURUSD | 1.0913 | 1.0980 | 1.0905 |
| GBPUSD | 1.2724 | 1.2792 | 1.2721 |
| USDJPY | 147.84 | 148.1200 | 147.25 |
| USDINR | 85.88 | 85.94 | 85.82 |
| USDCNY | 7.3374 | 7.3374 | 7.3272 |
| USDCHF | 0.8593 | 0.8615 | 0.8559 |
| AUDUSD | 0.5984 | 0.6062 | 0.5978 |

The dollar slipped against major peers, while oil and gold prices rose. USD/JPY falls back to mid 147-148. EUR/USD advances above mid 1.09-

Rates

| | Last Price | Previous Day Close |
|---------------|------------|--------------------|
| O/N SOFR | 4.350 | 4.390 |
| 1 month SOFR | 4.320 | 4.320 |
| 3 month SOFR | 4.259 | 4.259 |
| 6 months SOFR | 4.126 | 4.126 |
| 12 month SOFR | 3.863 | 3.863 |
| 3 years IRS | 3.398 | 3.458 |
| 5 years IRS | 3.428 | 3.485 |

US 2-year yields are down 6bps to 3.71% while 10-year yields fall 5bps to 4.14%. In Monday's US trading session 2-year yields ended up 11bps while

1.10 as GBP/USD rises and approaches 1.28.AUD/USD climbs back above 0.60 while NZD/USD advances toward 0.56.

| 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 | 4.50 |

*Amount>500k OMR

| Calendar | | | |
|------------------------------|------------|----------|-------|
| Key Data Watch | Time (GST) | Expected | Prior |
| NFIB Small Business Optimism | 14:00 | 99 | 100.7 |
| | | | |

10-year advanced 19bps.Japan 10-year yield rises 10.5bps, while 10-year JGB futures fall 116 ticks to 141.13

| Global Markets | | | |
|-------------------------|-------|------------------|---------|
| | Level | 1-Day Change (%) | YTD (%) |
| S&P 500 | 5062 | -0.233 | -13.93 |
| Euro Stoxx 600 | 474 | -4.497 | -6.62 |
| ShanghaiComposite Index | 3125 | 0.911 | -6.77 |
| MSX-30 | 4224 | -0.678 | -7.71 |
| NIFTY-50 | 22417 | 1.154 | -5.19 |
| Brent Crude (\$/bbl) | 65.03 | 1.308 | -11.57 |
| Gold (\$/oz.) | 3002 | 0.621 | 14.38 |
| | | -0.313 | |
| DXY | 103 | | -5.12 |
| Silver(\$/oz.) | 30 | 0.209 | 4.30 |

For any Treasury related requirement, please contact:
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