

Bank Dhofar Morning Market Update



Date: 14/01/26

Global Update

Asian shares climbed to an all-time high, as a weaker yen fueled a record-breaking rally in Japanese equities. The MSCI Asia Pacific Index rose 0.5%, with a 1.6% jump in the Nikkei 225 Stock Average leading the moves. The Japanese currency slipped past the 159-per-dollar level to the weakest since July 2024. Equities have jumped, while the currency has come under pressure amid reports of a snap Japan election. South Korean shares rose, building on gains seen on every trading day of 2026. Traders head into Wednesday awaiting a possible US Supreme Court ruling on President Donald Trump’s global tariffs, which unsettled markets when announced in April. Even as concerns linger over Trump’s attacks on the Federal Reserve, global stocks have rallied to record highs on bets that investment in artificial intelligence will lift corporate earnings. Investors will instead be closely watching the bond market, Haupt said. If tariffs are removed, issuances will have to go up, which means a spike in yields and a “worst-case scenario” for stocks, he said. In the commodities market, precious metals have extended last year’s rallies, with the prospect of a criminal indictment against Fed Chair Jerome Powell reviving worries about the monetary authority’s independence.

The GBP/USD pair trades in negative territory around 1.3425 during the Asian trading hours on Wednesday, pressured by renewed US Dollar demand. Traders brace for the US Retail Sales and Producer Price Index data later on Wednesday. The overnight breakout through the 1.3275-1.3280 confluence – comprising the 200-day Simple Moving Average (SMA) and the 38.2% Fibonacci retracement level of the September-November downfall – is seen as a key trigger for the GBP/USD bulls. With oscillators on the daily chart holding in positive territory, some follow-through buying beyond the 1.3365 area (50% retracement level) should allow spot prices to reclaim the 1.3400 mark. The momentum could extend further towards the 61.8% retracement level, around the 1.3455-1.3460 horizontal barrier, en route to the 1.3500 psychological mark.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1642	1.1649	1.1636	O/N SOFR	3.640	0.000
GBPUSD	1.3422	1.3448	1.3420	1 month SOFR	3.678	3.678
USDJPY	159.14	159.4500	159.09	3 month SOFR	3.667	3.667
USDINR	90.25	90.28	89.98	6 months SOFR	3.615	3.615
USDCNY	6.9795	6.9798	6.9754	12 month SOFR	3.476	3.476
USDCHF	0.8011	0.8018	0.8007	3 years IRS	3.380	3.388

AUDUSD	0.6682	0.6700	0.6677	5 years IRS	3.491	3.501
NZDUSD	0.5738	0.5748	0.5731	US 2-year yields are down 1bp to 3.53% while 10-year yields held steady at 4.18%.Japan's 10-year yield advanced two basis points to 2.180%.Australia's 10-year yield advanced two basis points to 4.72%.		
The euro was little changed at \$1.1647.The Japanese yen was little changed at 159.13 per dollar.The offshore yuan was little changed at 6.9745 per dollar. AUD/USD rises to hover below 0.67. GBP/USD climbs back toward mid 1.34-1.35.						

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	6964	-0.194	1.73
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	610	-0.083	3.08
				ShanghaiComposite Index	4188	1.195	5.53
Bank Deposit Rates for 5 years			4.00	MSX-30	6178	-0.234	5.31
*Amount>500k OMR				NIFTY-50	25704	-0.109	-1.63
Calendar				Brent Crude (\$/bbl)	65.35	-0.168	7.41
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	4630	0.948	7.19
MBA Mortgage Applications	16:00		0.3%	DXY	99	0.030	0.86
PPI Final Demand MoM	17:30	0.2%		Silver(\$/oz.)	91	4.589	26.90

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