

Bank Dhofar Morning Market Update



Date: 25/08/25

Global Update

A gauge of Asian equities rose 1.1%, with an index of technology stocks in Hong Kong jumping by 3.1%. Shanghai shares gained 0.9%, hovering around their highest level in 10 years, with property companies among the winners as the Chinese city eased home buying curbs. Equity-index futures for US and Europe retreated as investors curbed some of Friday's optimism ahead of this week's risk events. Traders see an 84% chance of a Fed rate cut next month after Powell signaled at Jackson Hole, Wyoming, the central bank may ease before inflation fully returns to target amid a softening hiring environment. That optimism faces key tests this week, including a US inflation reading, Nvidia Corp.'s results and the peak of Asian earnings season. Bank of Japan Governor Kazuo Ueda said he expects a tight labor market to keep upward pressure on wages, reflecting his view that stable inflation is set to take hold. New Zealand Prime Minister Christopher Luxon said he personally agrees that the Reserve Bank should have cut the Official Cash Rate by 50 basis points last week.

EUR/USD gyrated lower to 1.1582 last week but rebounded strongly from there. Late breach of 1.1729 resistance suggests that rise from 1.1390 is resuming. Initial bias is now on the upside this week for retesting 1.1819 high first. Firm break there will resume larger up trend. For now, risk will stay on the upside as long as 1.1582 support holds, in case of retreat. In the bigger picture, rise from 0.9534 long term bottom could be correcting the multi-decade downtrend or the start of a long term up trend. In either case, further rise should be seen to 100% projection of 0.9534 to 1.1274 from 1.0176 at 1.1916. This will remain the favored case as long as 1.1604 support holds.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1725	1.1734	1.1694	O/N SOFR	4.320	4.320
GBPUSD	1.3528	1.3533	1.3490	1 month SOFR	4.331	4.331
USDJPY	146.91	147.5300	146.80	3 month SOFR	4.223	4.223
USDINR	87.40	87.47	87.34	6 months SOFR	4.085	4.085
USDCNY	7.1649	7.1680	7.1564	12 month SOFR	3.861	3.861
USDCHF	0.8020	0.8035	0.8005	3 years IRS	3.376	3.354
AUDUSD	0.6487	0.6496	0.6472	5 years IRS	3.419	3.402
NZDUSD	0.5845	0.5871	0.5843			

The Bloomberg Dollar Spot Index rises 0.1% after dropping 0.9% on Friday following Fed Chair Powell's comments at Jackson Hole. The euro fell 0.1% to \$1.1705. The Japanese yen fell 0.3% to 147.32 per dollar. The offshore yuan rose 0.2% to 7.1653.

Chair Jerome Powell used his keynote speech at Jackson Hole on Friday to signal the Fed is headed for an interest-rate cut as soon as its next policy meeting in September. US 2-year yields rise 1bp to 3.71% while 10-year yields gain 2bps to 4.27%. In Friday's US session, 2-year yields fell 10bps, while 10-year dropped 7bps. Japan's 10-year yield was unchanged at 1.615%. Australia's 10-year yield

0.2% to 7.1592 per dollar.GBP/USD declines to trade near 1.35. AUD/USD drifts lower to hold below 0.65

Repurchase 10 year yield was unchanged at 4.28% and 5 10 year yield declined four basis points to 4.28%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.285	S&P 500	6467	1.519	9.95
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	561	0.399	10.57
				ShanghaiComposite Index	3859	0.858	15.12
Bank Deposit Rates for 5 years			3.93	MSX-30	5005	0.882	9.35
*Amount>500k OMR				NIFTY-50	24935	0.263	5.46
Calendar				Brent Crude (\$/bbl)	67.85	0.192	-6.19
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3366	-0.178	28.25
Chicago Fed Nat Activity Index	16:30	-0.11	-0.1	DXY	98	0.152	-9.79
New Home Sales	18:00	630k	627k	Silver(\$/oz.)	39	-0.165	34.33

For any Treasury related requirement, please contact:
Telephone: +968 2265 2721/2722/2731/2716

Disclaimer: Any information contained in this document should not be construed as an offer, invitation, solicitation, or advice of any kind to buy or sell any financial products or services offered by Bank Dhofar S.A.O.G ("Bank Dhofar S.A.O.G"), unless specifically stated so. Foreign exchange and derivative transactions involve numerous risks including among others, market, counterparty default and illiquidity risk. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You may consider asking advice from your advisers in making this assessment. No part of this report/document may be copied or redistributed by any recipient for any purpose without Bank Dhofar S.A.O.G's prior written consent. All information contained in this document has been obtained from official sources believed to be accurate and reliable and Bank Dhofar S.A.O.G makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Opinions, estimates and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Bank Dhofar S.A.O.G and are subject to change without notice.