

# Bank Dhofar Morning Market Update



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## Global Update

Japanese shares led gains in the region, with the Topix rising for a 13th day, while benchmark indexes also advanced in Australia and Taiwan. The Hang Seng Index slipped with US stock futures after both had jumped on Monday. The broad return of risk appetite comes after trade negotiators from the world’s two biggest economies announced Monday a de-escalation in tariffs. In a carefully coordinated joint statement, the US slashed duties on Chinese products to 30% from 145% for a 90-day period, while Beijing dropped its levy on most goods to 10%. Gold was little changed after a selloff Monday as the de-escalation in US-China trade tensions hurt demand for havens. Oil paused after a three-day gain as attention moved away from the trade war and to the Middle East. Intraday bias in USD/JPY remains on the upside for the moment. As noted before, fall from 158.86 could have completed 139.87 already. Further rise should be seen to 61.8% retracement of 158.86 to 139.87 at 151.60 next. On the downside, below 145.70 minor support will turn intraday bias neutral again first. In the bigger picture, price actions from 161.94 are seen as a corrective pattern to rise from 102.58 (2021 low), with fall from 158.86 as the third leg. 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				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1086	1.1120	1.1085	O/N SOFR	4.280	4.290
GBPUSD	1.3176	1.3207	1.3170	1 month SOFR	4.325	4.325
USDJPY	148.46	148.4800	147.65	3 month SOFR	4.308	4.308
USDINR	84.65	84.98	84.64	6 months SOFR	4.205	4.205
USDCNY	7.1968	7.1969	7.1867	12 month SOFR	3.957	3.957
USDCHF	0.8456	0.8461	0.8425	3 years IRS	3.724	3.736
AUDUSD	0.6372	0.6416	0.6361	5 years IRS	3.743	3.756

The dollar weakened against all its Group-of-10 peers in Asian trade, retracing some of the gains it made on Monday following the US-China truce. GBP/USD edges up toward 1.32 while EUR/USD climbs back above 1.11. AUD/USD advances to hover under 0.64. USD/JPY falls back below 148. USD/CHF slipped 0.3% to 0.8432. USD/CNH drops as much as 0.3% to 7.1793. USD/CNY falls 0.3% to 7.1886. Data to be watched next are UK employment, average weekly earnings, Germany ZEW survey expectations.

Treasuries also reversed some of Monday's move. The policy-sensitive US two-year yield fell three basis points after surging 12 basis points in New York amid speculation the tariff truce would bolster the world's biggest economy. Swaps that track upcoming Fed meetings showed just 56 basis points of easing is now priced in by December, down from nearly 75 basis points last week. Japanese government bond futures fell as demand for haven assets waned. The yield on 10-year Treasuries declined one basis point to 4.46%. Japan's 10-year yield advanced seven basis points to 1.460%. Australia's 10-year yield advanced seven basis points to 4.44%

				Global Markets			
		Current Levels		Level	1-Day Change (%)	YTD (%)	
CBO Repo Rate		5					
O/N OMIBOR		4.25		S&P 500	5844	3.256	-0.64
*Bank Deposit Rates for 1 years		4.25		Euro Stoxx 600	544	1.214	7.26
				Shanghai Composite Index	3374	0.138	0.66
Bank Deposit Rates for 5 years		4.50		MSX-30	4376	0.486	-4.37
*Amount>500k OMR				NIFTY-50	24776	-0.596	4.78
Calendar				Brent Crude (\$/bbl)	64.89	-0.092	-11.40
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3253	0.515	23.95
NFIB Small Business Optimism	14:00	95	97.4			-0.237	
				DXY	102		-6.40
CPI MoM	16:30	0.3%	-0.1%	Silver(\$/oz.)	33	1.169	14.12

**For any Treasury related requirement, please contact:**

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