

Bank Dhofar Morning Market Update



Date: 21/05/25

Global Update

Asian shares rose, aided by a weaker dollar and lower interest rates, while traders are betting on long-term Treasury yields surging due to concerns over the US government's debt and deficits. Oil has been volatile since last week on mixed headlines about the fate of Iran-US nuclear talks, which could pave the way for more barrels to return to a market that's expected to be oversupplied later in the year. An attack by Israel would hinder any progress in those negotiations and add to unrest in the Middle East, which supplies about a third of the world's crude. Long-term Treasury yields climbed Tuesday as fractious US budget negotiations kept focus on the growth in deficit spending, with traders piling into bets that they will surge further.

USD/JPY's break of 144.02 support now argues that rebound from 139.87 has completed as a correction to 148.64. Intraday bias is back on the downside for retesting 139.87 support. For now, risk will stay on the downside as long as 146.08 minor resistance holds, in case of recovery. 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.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1283	1.1340	1.1281	O/N SOFR	4.290	4.310
GBPUSD	1.3393	1.3435	1.3381	1 month SOFR	4.323	4.323
USDJPY	144.51	144.6100	143.73	3 month SOFR	4.321	4.321
USDINR	85.64	85.66	85.58	6 months SOFR	4.264	4.264
USDCNY	7.2190	7.2192	7.2067	12 month SOFR	4.061	4.061
USDCHF	0.8283	0.8288	0.8221	3 years IRS	3.679	3.671
AUDUSD	0.6424	0.6452	0.6417	5 years IRS	3.717	3.706

GBP/USD rises above 1.34 while USD/JPY falls below 144. Short-term macro funds are looking to sell a potential rally in USD/JPY after the

In Japan, the sovereign debt market is flashing a warning to the central bank that dialing back its bond purchases needs to be done with great care.

conclusion of the G-7 finance ministers’ meeting heading into the weekend, according to an Asia-based FX trader. EUR/USD advances past 1.13 as AUD/USD gains to trade mid 0.64-0.65.

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
MBA Mortgage Applications	15:00		1.1%

Yields on Japanese super-long sovereigns dipped after Tuesday’s surge, while those on the 30-year US Treasury hovered around the 5% mark.The yield on US 10-year Treasuries advanced two basis points to 4.51%.Australia’s 10-year yield advanced five basis points to 4.45%

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5940	-0.388	1.00
Euro Stoxx 600	554	0.735	9.14
ShanghaiComposite Index	3393	0.385	1.25
MSX-30	4457	0.114	-2.61
NIFTY-50	24838	0.625	5.05
Brent Crude (\$/bbl)	66.61	1.897	-9.05
Gold (\$/oz.)	3306	0.484	25.97
DXY	100	-0.481	-8.16
Silver(\$/oz.)	33	0.008	14.47

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