

Bank Dhofar Morning Market Update



Date: 03/02/26

Global Update

Asian equities rebounded sharply after Monday's heavy selloff, supported by a strong recovery in precious metals. The MSCI Asia Pacific Index climbed 2.4%, its best session since the post—"Liberation Day" rally last April. South Korea's market — a global AI leader and this year's top-performing index — surged 5.1%, reversing the prior day's steep decline. US equity-index futures also advanced, helped by Palantir Technologies issuing a stronger-than-expected sales outlook. In commodities, gold jumped as much as 4.2% while silver rallied 8.1%, recouping part of the dramatic losses from the recent unwinding of their record-breaking rallies. Elsewhere, Indian stocks jumped 2.8% as Trump said he will slash tariffs on India to 18% after Prime Minister Narendra Modi agreed to stop buying Russian oil, easing tensions between the two countries. The rupee gained against the dollar. Indian equities are primed to ease their run of underperformance after the long-awaited trade agreement with the US, which removes a key overhang on financial assets that had triggered record foreign outflows. Precious metals had rapidly surged to records last month, catching even seasoned traders by surprise. Investors piled into gold and silver on renewed concerns about geopolitical upheaval, currency debasement, and threats to the Fed's independence. A wave of buying from Chinese speculators supercharged the rally.

USD/JPY remains subdued around the 155.50 level in early Asian trading on Tuesday, mirroring the broader consolidation in the US Dollar. The Greenback found support on Monday after stronger-than-expected US economic indicators reinforced expectations that the Federal Reserve will maintain its pause on rate cuts in the near term. USD/JPY is consolidating around the nine-day Exponential Moving Average (EMA) and continues to face resistance below the 50-day EMA at 155.63. The recent downturn in the 50-day EMA suggests limited scope for a sustained recovery unless the pair achieves a daily close above this level, which would open the way toward higher resistance zones. Failure to reclaim the short-term EMA keeps the bias tilted to the downside. Momentum indicators reflect stabilization. The 14-day Relative Strength Index (RSI) at 46 remains neutral, recovering from oversold levels near 23. A push above 50 would strengthen the near-term outlook. The short-term trend remains fragile, with the nine-day EMA flattening. A daily close below 154.85 would likely extend the corrective phase toward the recent three-month low at 150.02 (January 27), followed by the lower boundary of the descending channel near 149.20.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1791	1.1817	1.1787	O/N SOFR	3.680	0.000

GBPUSD	1.3666	1.3694	1.3661	1 month SOFR	3.669	3.669	
USDJPY	155.62	155.6600	155.31	3 month SOFR	3.660	3.660	
USDINR	90.43	90.52	90.24	6 months SOFR	3.616	3.616	
USDCNY	6.9422	6.9424	6.9387	12 month SOFR	3.491	3.491	
USDCHF	0.7796	0.7801	0.7776	3 years IRS	3.440	3.437	
AUDUSD	0.6948	0.7033	0.6945	5 years IRS	3.566	3.562	
NZDUSD	0.5999	0.6043	0.5995	Australia's central bank raised its key interest rate on Tuesday, becoming the first major monetary authority to hike this year, as it judged domestic inflation pressures were persistent enough to warrant renewed restraint. Treasury 2-year yields little changed at 3.57%. 10-year yields up 1bp to 4.28%; while the 5s30s curve was steepened slightly to 107.68bps difference. Japan's 10-year yield advanced two basis points to 2.250%. Australia's 10-year yield advanced seven basis points to 4.87%.			

AUD/USD rose on short-covering spurred by a bounce in precious metals before extending its advance after the RBA decision. NZD/USD advanced on cross flows. USD/JPY slipped 0.2% after Japan's Finance Minister Satsuki Katayama said that Prime Minister Sanae Takaichi wasn't overly highlighting the benefits of a weak yen at the weekend. EUR/USD and GBP/USD climbed amid broad dollar weakness.

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6976	0.539	1.91
Euro Stoxx 600	617	1.033	4.24
ShanghaiComposite Index	4031	0.382	1.57
MSX-30	6253	0.097	6.58
NIFTY-50	25735	2.578	-1.51
Brent Crude (\$/bbl)	65.97	-0.513	9.04
Gold (\$/oz.)	4818	3.357	11.54
DXY	97	-0.215	-0.92
Silver(\$/oz.)	83	5.241	16.42

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
US Treasury Quarterly Borrowing Estimates	0:00		
Wards Total Vehicle Sales		15.21m	16.02m

For any Treasury related requirement, please contact:

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