

Bank Dhofar Morning Market Update



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Global Update

Asian stocks were little changed while oil rose and gold advanced to a record. European stock futures pointed to a lower open. US equity-index futures extending a late Monday rally after the S&P 500 slumped more than 2%. The dollar and Treasury bonds, traditional havens at times of stress, suddenly look much less appealing. Investors are also weighing Trump's warning that the US economy may slow if the Federal Reserve does not immediately reduce interest rates. Japan's finance minister Katsunobu Kato said his administration is in touch with other nations on how best to convey widely-shared concerns about the impact of tariffs during meetings in Washington this week. Prime Minister Ishiba said on Monday that Japan won't just keep conceding to US demands to reach a deal over tariffs, contrary to how Trump had portrayed the talks. US Vice President JD Vance is in New Delhi as the US threatens to increase the 10% tariffs on Indian exports to 26% if no deal is reached by the end of the 90-day pause Trump put in place earlier this month.

EUR/USD's rally resumed by breaking through 1.1472 today and intraday bias is back on the upside. Current rise from 1.0176 should target 161.8% projection of 1.0358 to 1.0953 from 1.0731 at 1.1694 next. On the downside, below 1.1357 minor support will turn intraday bias neutral and bring consolidations again, before staging another rally. 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.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1515	1.1547	1.1482	O/N SOFR	4.320	4.310
GBPUSD	1.3379	1.3424	1.3362	1 month SOFR	4.319	4.319
USDJPY	140.86	141.1700	139.90	3 month SOFR	4.272	4.272
USDINR	85.12	85.19	85.09	6 months SOFR	4.125	4.125
USDCNY	7.3012	7.3126	7.3010	12 month SOFR	3.859	3.859
USDCHF	0.8091	0.8125	0.8067	3 years IRS	3.474	3.462
AUDUSD	0.6416	0.6439	0.6402	5 years IRS	3.578	3.567

An index of the dollar's strength lengthened its losses after weakening to a 15-month low. Japan's currency rose as much as 0.7% to 139.93 against

Australia's 10-year yield was little changed at 4.29%. US 2-year yields are up 1bp to 3.77% while 10-year yields are steady at 4.41%. Treasuries are

the dollar, its strongest level since September. The move came after the currency had paused just before 140, where some traders were defending options positions. The yen is the best performer among its Group-of-10 peers against the dollar on Tuesday..The euro rose 0.1% to \$1.1529.The Japanese yen rose 0.5% to 140.21 per dollar.The offshore yuan fell 0.3% to 7.3118 per dollar

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
Philadelphia Fed Non-Manufacturing Activity	16:30		-32.5
Richmond Fed Manufact. Index	18:00	-7	-4

steady ahead of a slew of speeches from Fed officials, as well as a 2-year US bond auction. In Monday's US trading session, 2-year yields ended down 3bps while 10-year rose 9bps.President Donald Trump warned the US economy may slow if the Federal Reserve doesn't move to immediately reduce interest rates.Japan 10-year yield rises 4bps, while 10-year JGB futures fall 21 ticks to 140.7.

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5158	-2.357	-12.30
Euro Stoxx 600	506	-0.132	-0.24
ShanghaiComposite Index	3306	0.451	-1.36
MSX-30	4293	-0.311	-6.20
NIFTY-50	24235	0.452	2.49
Brent Crude (\$/bbl)	66.64	0.604	-9.38
Gold (\$/oz.)	3489	1.903	32.94
		-0.141	
DXV	98		-9.54
Silver(\$/oz.)	33	0.470	13.66

For any Treasury related requirement, please contact:
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