

# Bank Dhofar Morning Market Update



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## Global Update

Asian opened lower, tracking Monday's declines on Wall Street, as traders grew anxious about the pace of easing by the Federal Reserve beyond this week's near-certain rate cut. MSCI Inc.'s gauge of regional shares dropped 0.4%. US stock futures were little changed after the S&P 500 shed 0.3% on Monday and US Treasuries joined a global bond slump. Australia's policy-sensitive three-year bond yields pared an early advance and the Aussie dollar dipped after the central bank kept its key interest rate unchanged for a third straight meeting in a widely expected decision. While the Fed is broadly estimated to deliver a 25 basis-point rate cut on Wednesday, some traders have warned that the US central bank may signal a slower pace of easing ahead. That's because still-high inflation and the lack of fresh data during the shutdown have caused divisions among Fed officials. After this week's likely cut, money markets are leaning toward two more moves by the end of 2026, down from three signaled barely a week ago. Shares of Nvidia Corp. climbed in after-hours trading after the company was granted permission by President Donald Trump to ship its H200 artificial intelligence chip to China in exchange for a 25% cut of the sales. Chinese chip stocks were mostly lower in Asia while Japanese suppliers rose.

EUR/USD slides 0.05% as the week begins, courtesy of broad US Dollar strength, amid choppy trading as traders brace for the Federal Reserve monetary policy decision. At the time of writing, the pair trades at 1.1637 after hitting a daily high of 1.1672. From a technical point of view, the EUR/USD pair trades in the 1.1650 area, little changed on a daily basis. In the 4-hour chart, the 20-period Simple Moving Average (SMA) rises above the 100- and 200-period SMAs, signaling a bullish alignment, but also acts as dynamic resistance, developing just above the current level. The longer SMAs edge marginally higher, and the pair holds well above them, keeping the near-term tone supported. At the same time, the Momentum indicator softens below its midline, pointing to waning intraday drive. At the same time, the Relative Strength Index (RSI) indicator holds at around 54 and cushions the downside. On pullbacks, dynamic support aligns at the 100- and 200-period SMAs at 1.1593–1.1585.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1637	1.1649	1.1635	O/N SOFR	3.930	0.000
GBPUSD	1.3322	1.3335	1.3319	1 month SOFR	3.777	3.777
USDJPY	155.92	156.0400	155.74	3 month SOFR	3.738	3.738
USDINR	90.14	90.15	89.95	6 months SOFR	3.667	3.667
USDCNY	7.0722	7.0723	7.0687	12 month SOFR	3.500	3.500
USDCHF	0.8068	0.8072	0.8059	3 years IRS	3.378	3.371

AUDUSD	0.6624	0.6648	0.6609	5 years IRS	3.461	3.451
NZDUSD	0.5776	0.5791	0.5767	The US 10-year yield hit its highest level since September in Monday's session, extending bond selling in Europe and Japan, and supporting the dollar.A \$58 billion sale of three-year notes arrived at a lower-than-forecast yield Monday, a sign of better than anticipated demand. A \$39 billion auction of 10-years and \$22 billion of 30-years are set for Tuesday and Thursday, respectively.The yield on 10-year Treasuries was little changed at 4.17%.Australia's 10-year yield advanced one basis point to 4.71%		
The Australian dollar fluctuated after the RBA said it is appropriate to stay cautious, while also mentioning some signs of "a broad inflation pickup." AUD/USD down 0.1% but holds above 0.66. USD/JPY consolidates below 156, while EUR/USD drifts up toward mid 1.16-1.17. GBP/USD trades in a narrow range above 1.33. The Bloomberg Dollar Spot Index is steady after gaining 0.1% on Monday.						

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	6847	-0.348	16.41
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	578	-0.071	13.94
				ShanghaiComposite Index	3919	-0.134	16.92
Bank Deposit Rates for 5 years			4.00	MSX-30	5893	-0.384	28.76
*Amount>500k OMR				NIFTY-50	25781	-0.693	9.03
Calendar				Brent Crude (\$/bbl)	62.32	-0.272	-12.58
				Gold (\$/oz.)	4188	-0.066	59.57
Key Data Watch	Time (GST)	Expected	Prior			-0.032	
JOLTS Job Openings	19:00	7117k		DXY	99		-8.69
JOLTS Job Openings Rate	19:00			Silver(\$/oz.)	58	0.180	101.58
For any Treasury related requirement, please contact:							
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