

Bank Dhofar Morning Market Update



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Global Update

Asian shares struggled for direction Tuesday ahead of key earnings from megacap companies this week as investors look for signs of resilience amid tariff risks. The MSCI Asian stock gauge dropped 0.3% after rising as much as 0.4%. Japanese shares reversed earlier gains to trade 0.4% lower amid lingering political concerns. Stocks had jumped as much as 1.1% Tuesday as Prime Minister Shigeru Ishiba said he would carry on as leader even after the ruling coalition lost its majority in the upper house election. The yen edged lower amid worries about higher fiscal spending. Investors also kept a close eye on tariff headlines Monday. Trump may issue more unilateral tariff letters before Aug. 1, White House Press Secretary Karoline Leavitt said. More trade deals may also be reached before the deadline, she added. Treasuries rose marginally, with yields on the 10-year dipping for a fifth consecutive day to 4.37%. Oil extended its losses. West Texas Intermediate crude fell 0.9% to \$66.62 a barrel. Spot gold fell 0.1% to \$3,393.40 an ounce.

The EUR/USD pair clings to gains made on Monday around 1.1700 during the Asian trading session on Tuesday. The major currency pair strengthens as the US Dollar (USD) corrects sharply, following a fresh escalation in trade tensions between the United States (US) and the European Union (EU). Trade tensions between giant economies escalated after a report from the Wall Street Journal (WSJ) signalled that US President Donald Trump has demanded a higher baseline tariff in a range between 15% and 20% against 10%, which was being negotiated earlier. Additionally, Trump has been reluctant to reduce the 25% automobile levy.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1693	1.1696	1.1683	O/N SOFR	4.300	4.300
GBPUSD	1.3492	1.3494	1.3474	1 month SOFR	4.355	4.355
USDJPY	147.38	147.7100	147.24	3 month SOFR	4.332	4.332
USDINR	86.26	86.29	86.23	6 months SOFR	4.224	4.224
USDCNY	7.1701	7.1729	7.1701	12 month SOFR	4.006	4.006
USDCHF	0.7979	0.7992	0.7974	3 years IRS	3.511	3.515
AUDUSD	0.6525	0.6531	0.6514	5 years IRS	3.542	3.552
NZDUSD	0.5968	0.5975	0.5956			

The Bloomberg Dollar Spot Index was little changed. The euro was little changed at 1.1693. The yen was down 0.4% to 147.38. The Australian dollar was down 0.1% to 0.6525. The New Zealand dollar was down 0.1% to 0.5968. The 10-year Treasury yield was down 0.01% to 4.37%. The 10-year Japanese yield was down 0.01% to 1.510%. The 10-year Australian yield was down 0.01% to 3.542%. The 10-year New Zealand yield was down 0.01% to 3.552%.

little changed at \$1.1690. The Japanese yen was little changed at 147.48 per dollar. The offshore yuan was little changed at 7.1720 per dollar. USD/KRW gains 0.3% to 1,386.55. USD/KRW one-month implied volatility is at 9.66%, up from 9.445% on Monday.

declined three basis points to 4.30%. The S&P 500 is trading around 22 times expected 12-month profits. The S&P 500 hasn’t posted a 1% up or down day since late June. Australia’s S&P/ASX 200 was little changed. Hong Kong’s Hang Seng rose 0.2%. The Shanghai Composite rose 0.3%.

				Global Markets			
Current Levels					Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.25	S&P 500	6306	0.140	7.21
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	547	-0.077	7.68
				ShanghaiComposite Index	3569	0.252	6.47
Bank Deposit Rates for 5 years			4.50	MSX-30	4743	1.472	3.64
*Amount>500k OMR				NIFTY-50	25095	0.018	6.13
Calendar				Brent Crude (\$/bbl)	68.55	-0.939	-5.60
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3389	-0.240	29.13
Richmond Fed Manufacturing Index	18:00	-10	-9	DXY	98	0.049	-9.76
UK Central Government NCR	10:00	-	15.8b	Silver(\$/oz.)	39	-0.500	34.02

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