

# Bank Dhofar Morning Market Update



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## Global Update

The dollar declined and Treasury yields edged lower on bets that US rate cuts could come sooner than expected, after a report that President Donald Trump is considering an early appointment for the next Federal Reserve chairman. Oil gained for a second day as investors grappled with an uneasy ceasefire in the Middle East. Despite stabilizing prices, the market remains on edge. Russia said it was open to another output hike at the next OPEC+ meeting. Fed governors Christopher Waller and Michelle Bowman recently signaled they would be open to lowering rates as soon as July if inflation remains contained. But Powell remains guarded: He told a Senate committee on Wednesday that it was “very hard to predict” the inflationary impact of the levies, after reiterating his message earlier this week that the Fed doesn’t need to rush to rate cuts.

Range trading continues in USD/JPY and intraday bias stays neutral for the moment. Further rise will remain mildly in favor as long as 142.10 support holds. On the upside, firm break of 148.64 will resume the rise from 139.87 to 61.8% retracement of 158.86 to 139.87 at 151.22. 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. However, sustained break of 139.26 would open up deeper medium term decline to 61.8% retracement at 125.25.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1659	1.1717	1.1655	O/N SOFR	4.300	4.280
GBPUSD	1.3664	1.3725	1.3656	1 month SOFR	4.321	4.321
USDJPY	145.24	145.2700	144.57	3 month SOFR	4.302	4.302
USDINR	85.89	85.93	85.85	6 months SOFR	4.187	4.187
USDCNY	7.1697	7.1699	7.1574	12 month SOFR	3.964	3.964
USDCHF	0.8048	0.8051	0.8024	3 years IRS	3.450	3.470
AUDUSD	0.6513	0.6536	0.6506	5 years IRS	3.468	3.490
NZDUSD	0.6039	0.6066	0.6029			

The euro rose 0.2% to the highest in almost four years. The Japanese yen rose 0.2% to 144.90 per dollar. The offshore yuan surged 0.2%, more than any closing gain since June 12. The British pound rose 0.3%

President Donald Trump said he has three or four people in mind to succeed Federal Reserve Chair Jerome Powell when his term expires next year. Treasury yields declined at every major maturity, US 2-year yields down 2bps to 3.76%, while 10-year yields slip 2bps to 4.27%. Australia’s 10-year

to the highest in more than three years

yield was little changed at 4.12%.

	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
Advance Goods Trade Balance	16:30	-\$86.1b	-\$87.6b
Wholesale Inventories MoM	16:30	0.2%	0.2%

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6092	0.000	3.58
Euro Stoxx 600	537	-0.739	5.78
ShanghaiComposite Index	3460	0.107	3.22
MSX-30	4514	-0.586	-1.37
NIFTY-50	25385	0.555	7.36
Brent Crude (\$/bbl)	67.88	0.325	-6.91
Gold (\$/oz.)	3335	0.076	27.07
		-0.190	
DXY	97		-10.13
Silver(\$/oz.)	36	0.294	25.84

**For any Treasury related requirement, please contact:**

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