Bank Dhofar Morning Market Update

Date: 20/10/25

Global Update

Asian equities traded above their record closing high as signs of easing trade frictions helped boost sentiment after recent volatility tied to concerns about US regional banks.MSCI's regional stock gauge jumped 1.7% and futures indicated gains in the US and Europe. Japanese shares rallied almost 3% and the yen pared its declines on expectations the pro-stimulus Sanae Takaichi will be elected as Japan's next prime minister. Chinese equities gained as investors looked past data that showed economic growth slowed to the weakest pace in a year.Market sentiment improved as President Donald Trump sought to ease trade tensions with China after markets were rattled on Friday by US bank-credit woes. A new round of US-China trade talks is set for this week with Treasury Secretary Scott Bessent and Vice Premier He Lifeng facing the task of negotiating down new escalatory measures. In China, political leaders will begin gathering in Beijing for a four-day meeting, known as its Fourth Plenum, with traders watching for fresh measures to extend China's strongest equity rally in eight years and shore up the yuan.

EUR/USD's rebound from 1.1540 extended higher last week but upside is capped well below 1.1778 resistance. Initial bias remains neutral this week and further fall is expected. Break of 1.1540 will resume the decline from 1.1917 and target 1.1390 support, or even further to 38.2% retracement of 1.0176 to 1.1917 at 1.1252. On the upside, through, break of 1.1778 will target a retest on 1.1917 high instead.

Source: Reuters, Bloomberg

Currencies

	Open	High	Low
EURUSD	1.1658	1.1674	1.1652
GBPUSD	1.3422	1.3443	1.3409
USDJPY	150.43	151.2000	150.38
USDINR	87.94	87.97	87.82
USDCNY	7.1252	7.1273	7.1234
USDCHF	0.7914	0.7942	0.7914
AUDUSD	0.6483	0.6515	0.6475
NZDUSD	0.5732	0.5743	0.5721

Rates

	Last Price	Previous Day Close
O/N SOFR	4.300	4.300
1 month SOFR	4.024	4.024
3 month SOFR	3.870	3.870
6 months SOFR	3.702	3.702
12 month SOFR	3.468	3.468
3 years IRS	3.198	3.189
5 years IRS	3.258	3.251

A rally in Treasuries driven by concerns around US regional bank credit

The yen is likely to weaken as LDP leader Sanae Takaichi moves closer toward becoming Japan's first female prime minister. USD/JPY rose 0.2% to 150.85 after touching 151.20 intraday.The euro rose 0.1% to $1.1668.The offshore yuan was little changed at 7.1250 per dollar. AUD/USD rose 0.2% to 0.6500.NZD/USD up 0.2% to 0.5738.

exposures and resurgent trade tensions stalled as lender shares stabilized.US Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng are expected to meet this week after recent escalations in trade restrictions.The yield on 10-year Treasuries was little changed at 4.02%.Japan's 10-year yield advanced 3.5 basis points to 1.655%.Australia's 10-year yield advanced five basis points to 4.15%

	Current Levels
CBO Repo Rate	4.75
O/N OMIBOR	4
***Bank Deposit Rates for 1 years**	4.00
Bank Deposit Rates for 5 years	4.00

*Amount>500k OMR

Calendar

Key Data Watch	Time (GST)	Expected	Prior
PPI MoM (ES)	9:00		1.6%
PPI YoY (ES)	9:00		-1.6%

Global Markets

	Level	1-Day Change (%)	YTD (%)
S&P 500	6664	0.527	13.30
Euro Stoxx 600	566	-0.948	11.55
ShanghaiComposite Index	3866	0.686	15.35
MSX-30	5326	0.679	16.37
NIFTY-50	25846	0.530	9.31
Brent Crude ($/bbl)	61.08	-0.326	-14.93
Gold ($/oz.)	4267	0.364	62.59
DXY	98	-0.003	-9.27
Silver($/oz.)	52	0.387	80.34

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