

# Bank Dhofar Morning Market Update



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## Global Update

Asian equities extended their advance to new records as a rebound in US technology shares helped ease pressure on markets following recent concerns over heavy AI-related spending. The MSCI Asia Pacific Index rose 1.1%, with tech names like SoftBank and TSMC contributing to the gains, while Japan's Nikkei 225 climbed 2.5% to a fresh all-time high. The momentum, however, faces an early test with US and European equity futures edging slightly lower after the S&P 500 closed near a record. In currencies and commodities, the yuan strengthened to its strongest level since May 2023 after China reportedly asked banks to curb their US Treasury holdings, while the dollar weakened for a third straight session. Gold slipped as investors took profits following two days of gains after its recent sharp selloff. Overall, easing anxiety around the AI trade is helping sentiment stabilize, even as traders now look to upcoming US economic data to guide expectations for the Federal Reserve's next interest-rate steps. The jobs report — due Wednesday — is expected to show payrolls rose 68,000 in January. The unemployment rate is seen steady at 4.4%. The data will also include historical revisions that are anticipated to show a sizable downward adjustment to payrolls in the year through March 2025.

In Friday's consumer price index, economists will look for more evidence that inflation is on a downward trend. Before that, figures on Tuesday are projected to show solid retail sales. Those releases could shape expectations for the Fed's next move on interest rates. Traders are broadly expecting policymakers to leave rates on hold when they meet next month as they did in January when they voted to keep them at 3.5% to 3.75%.

The GBP/USD pair finds some support near the 1.3600 mark, representing the 50% Fibonacci retracement level of the upswing from the January swing low, which should now act as a key pivotal point for traders. Meanwhile, the recent breakdown below the 100-hour Simple Moving Average (SMA) favors bears. The Moving Average Convergence Divergence (MACD) remains below the zero line with the MACD line under the Signal line and a contracting histogram, suggesting weak bearish momentum. The Relative Strength Index (RSI) sits near 32 (oversold threshold), hinting that downside pressure is stretched. Meanwhile, the 61.8% Fibo. retracement at 1.3548 underpins the downside, and a break would warn of a deeper deterioration.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1914	1.1917	1.1897	O/N SOFR	3.640	#N/A N/A
GBPUSD	1.3693	1.3697	1.3672	1 month SOFR	3.665	3.665

USDJPY	155.88	156.2900	155.15
USDINR	90.71	90.78	90.67
USDCNY	6.9216	6.9216	6.9096
USDCHF	0.7662	0.7677	0.7657
AUDUSD	0.7093	0.7095	0.7073
NZDUSD	0.6055	0.6056	0.6036

USD/JPY falls toward 155 while EUR/USD is steady to remain above 1.19. AUD/USD weakens to hold under 0.71 after soft consumer and business confidence data spur profit taking from leveraged Aussie longs, according to Asia-based FX traders. GBP/USD is little changed under 1.37

3 month SOFR	3.640	3.640
6 months SOFR	3.579	3.579
12 month SOFR	3.434	3.434
3 years IRS	3.331	3.343
5 years IRS	3.454	3.468

US 2-year yields slip 1bp to 3.47% while 10-year yields fall 2bps to 4.18%. In Monday's US trading session 2-and 10-year yields ended down about 1bp. The yield on 10-year Treasuries declined two basis points to 4.19%. Japan's 10-year yield declined 2.5 basis points to 2.250%. Australia's 10-year yield declined five basis points to 4.82%.

Current Levels	
CBO Repo Rate	4.25
O/N OMIBOR	4
*Bank Deposit Rates for 1 years	3.75
Bank Deposit Rates for 5 years	3.75

\*Amount>500k OMR

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6965	0.469	1.74
Euro Stoxx 600	621	0.695	4.93
ShanghaiComposite Index	4122	-0.018	3.87
MSX-30	6761	2.984	15.24
NIFTY-50	25951	0.323	-0.68
Brent Crude (\$/bbl)	68.91	-0.174	13.94
Gold (\$/oz.)	5024	-0.673	16.31
		0.043	
DXY	97		-1.49
Silver(\$/oz.)	81	-2.434	13.54

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
NFIB Small Business Optimism	15:00	99.8	99.5
ADP Weekly Employment Change	17:15		7.75k

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

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