

Bank Dhofar Morning Market Update



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Global Update

Asian equities climbed to a new all-time high, led by Chinese technology shares, as investors rotated into regional stocks in search of more attractive valuations and stronger growth prospects. The MSCI Asia Pacific Index rose 0.6%, with more than two stocks advancing for every one that declined. A gauge of Hong Kong-listed Chinese tech shares jumped to the strongest level since November, while the benchmark index in Shanghai was headed for its highest close since 2015. Equity-index futures for the US and Europe also edged higher, indicating the rally will have more legs to continue. Asian shares are still relatively cheaper compared with US tech stocks. The MSCI regional equities gauge has a price-to-earnings ratio of 15, compared with 22 for the S&P 500 Index and 25 for the Nasdaq 100 Index. Investors have continued to add to stocks, largely unfazed by tensions in Latin America, extending a three-year bull run driven by demand for technology and artificial-intelligence-linked shares. Equities have rebounded from April lows as Federal Reserve rate cuts and optimism around AI-supported earnings underpinned sentiment. Precious metals reversed early weakness. Gold edged up 0.2%, rising above \$4,450 an ounce, while silver jumped 1.7%. The commodities jumped on Monday after the US capture of Venezuela's President Nicolas Maduro. Oil steadied after the biggest gain in a week.

USD/JPY is off highs, posting small gains near 156.50 in the Asian session on Tuesday, holding the previous day's pullback from a nearly two-week high. The lack of a clear timeline for future BoJ rate hikes, along with a generally positive risk tone, is seen undermining the safe-haven Japanese Yen and supporting the currency pair, despite renewed US Dollar selling. In the daily chart, USD/JPY trades at 156.74. Price holds above the 20-day EMA at 156.26, which is edging higher and supports a mild bullish bias. RSI at 55.99 remains above the 50 midline, showing steady momentum. The rising trend line from 154.39 underpins the bullish bias, offering support near 156.56. A daily close below 156.56 would break that base and could trigger a deeper pullback towards the December low of 154.35.

Looking up, the pair could approach the psychological level of 160.00 on a decisive break above the November high of 157.90.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1722	1.1738	1.1711	O/N SOFR	3.750	0.000
GBPUSD	1.3542	1.3562	1.3528	1 month SOFR	3.682	3.682
USDJPY	156.38	156.7900	156.24	3 month SOFR	3.650	3.650
USDINR	90.22	90.24	90.08	6 months SOFR	3.578	3.578
USDCNY	6.9840	6.9862	6.9810	12 month SOFR	3.426	3.426

USDCHF	0.7917	0.7927	0.7907	3 years IRS	3.330	3.318
AUDUSD	0.6714	0.6725	0.6703	5 years IRS	3.454	3.441
NZDUSD	0.5789	0.5806	0.5779	Money markets are pricing in two quarter-point Fed rate cuts in 2026, the first by mid-year, and around a 30% chance of a third this year. The yield on 10-year Treasuries was little changed at 4.17%. Japan's 10-year yield declined 1.5 basis points to 2.105%. Australia's 10-year yield declined two basis points to 4.78%		
EUR/USD edges up 0.1% to remain above 1.17 while GBP/USD rises above mid 1.35-1.36. AUD/USD advances to hold above 0.67, while USD/JPY is steady above 156. NZD/USD up 0.1% to 0.5795. GBP/USD little changed at 1.3542. Bloomberg Dollar Spot Index falls for a second day, down 0.1%.						

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.5				
O/N OMIBOR			4	S&P 500	6902	0.635	0.83
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	602	0.943	1.62
				ShanghaiComposite Index	4069	1.142	2.53
Bank Deposit Rates for 5 years			4.00	MSX-30	6006	1.123	2.37
*Amount>500k OMR				NIFTY-50	26266	0.061	0.52
Calendar				Brent Crude (\$/bbl)	61.60	-0.243	1.25
				Gold (\$/oz.)	4463	0.315	3.33
Key Data Watch	Time (GST)	Expected	Prior	DXY	98	-0.051	-0.10
S&P Global US Services PMI	18:45	52.9	52.9				
S&P Global US Composite PMI	18:45		53	Silver(\$/oz.)	79	2.599	9.65

For any Treasury related requirement, please contact:
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