

Bank Dhofar Morning Market Update



Date: 22/01/25

Global Update

Asian stocks posted small gains as optimism over more artificial intelligence spending under Donald Trump offset fears over the impact of tariffs on China. Shares in Taiwan and Japan led gains, lifted by technology stocks after Trump announced a new investment push for artificial intelligence. But Chinese shares bucked the trend: The benchmark CSI 300 Index was as much as 1.3% lower, while the Hang Seng China Enterprise Index fell as much as 2.1%. The broad MSCI Asia Pacific Index was up around 0.2%. The divergent fortunes of Asian stock markets underscore the difficult questions investors will be forced to weigh up over the coming months, when the Trump administration is expected to make a series of sweeping policy changes. The decline in Chinese shares came after Trump said he was still considering a 10% tariff on all Chinese goods. Still, the scale of the decline in Chinese shares surprised some market participants. The country was spared the brunt of Trump's early policy flurry, with his first big tariff comments instead targeting Canada and Mexico. US 10-year Treasury yields advanced one basis point after falling five basis points in the previous session. The dollar strengthened against every Group-of-10 peer. Elsewhere in Asia, the Bank of Japan is moving toward deciding to raise interest rates at its policy meeting this week, Kyodo News reported. That supports recent speculation that the bank will hike by 25 basis points. In commodities, oil declined as Trump threatened a tariff on China. West Texas Intermediate crude was little changed. Spot gold rose 0.2% to \$2,749.30 an ounce, near the highest since early November, with traders monitoring the outlook for the global economy.

The USD/CAD pair trades with mild gains around 1.4340 during the early Asian session on Wednesday. The Canadian Dollar (CAD) weakens amid softer Canada's December Consumer Price Index (CPI) inflation data and concerns about a trade war between the United States and Canada. ata released by Statistics Canada on Tuesday showed that the country's CPI inflation eased to 1.8% YoY in December.



CAD Currency (Canadian Dollar Spot) Daily 23JAN2024-22JAN2025

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Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0428	1.0434	1.0393	O/N SOFR	4.290	4.290
GBPUSD	1.2350	1.2355	1.2323	1 month SOFR	4.302	4.300
USDJPY	155.52	155.9600	155.36	3 month SOFR	4.290	4.290
USDINR	86.57	86.60	86.56	6 months SOFR	4.252	4.254
USDCNY	7.2715	7.2806	7.2714	12 month SOFR	4.195	4.194
USDCHF	0.9060	0.9074	0.9050	3 years IRS	4.107	4.107

AUDUSD	0.6274	0.6277	0.6255	5 years IRS	4.096	4.096
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The yen was down slightly against the greenback, part of a broad move higher by the dollar by 0.1% to 155.75 per dollar. The euro fell 0.2% to \$1.0412. The offshore yuan fell 0.2% to 7.2827 per dollar. The British pound fell 0.1% to \$1.2334. The Australian dollar fell 0.1% to \$0.6266. Eleven of 16 major currencies, as defined by Bloomberg, surged more than 1% versus the dollar when Inauguration Day initially suggested a slower approach on tariffs. Even then CAD closed little changed for Tuesday while MXN pared more than half of its tumble to end 0.6% weaker.

The yield on 10-year Treasuries advanced one basis point to 4.59%. Japan's 10-year yield advanced one basis point to 1.195%. Australia's 10-year yield advanced five basis points to 4.46%. S&P 500 futures rose 0.3% as of 12:11 p.m. Tokyo time. Australia's S&P/ASX 200 rose 0.3%. Hong Kong's Hang Seng fell 1.3%. The Shanghai Composite fell 0.8%. Euro Stoxx 50 futures rose 0.2%. SoftBank Group's shares rose more than 9% after Trump named the company as a participant in the 'Stargate' AI joint venture. The move pushed the Japanese company's shares to their highest level since July.

	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	4.00

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
US Leading Index	19:00	-0.1%	-0.4%
UK Central Government NCR	11:00	-	19.7b

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6049	0.877	2.85
Euro Stoxx 600	526	0.403	3.62
Shanghai Composite Index	3215	-0.840	-4.07
MSX-30	4613	-0.090	0.79
NIFTY-50	23114	0.390	-2.24
Brent Crude (\$/bbl)	79.37	0.113	6.35
Gold (\$/oz.)	2751	0.228	4.82
		0.019	
DXY	108		-0.37
Silver(\$/oz.)	31	0.359	6.88

For any Treasury related requirement, please contact:

Telephone: +968 2265 2721/2722/2731/2716

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