

Bank Dhofar Morning Market Update



Date: 26/02/25

Global Update

Stocks, Treasuries and other assets steadied as investors sought to move on from weak US economic data that had rattled financial markets Tuesday. US stock-index futures pointed to gains, Treasury 10-year yields rebounded in Asian trading while gold, Bitcoin and oil all traded within a tight range after declines overnight. Hong Kong equities surged, extending a rally that started last month driven by optimism that China's technological breakthroughs may help revive the sluggish economy. Investors sought safer corners of the market Tuesday after a weak US consumer confidence reading raised worries about the outlook for the broader economy from President Donald Trump's policies and their impact on global growth. Chances for early action on President Donald Trump's tax cut plans improved as House Republicans passed a budget blueprint Tuesday. Hong Kong shares were the standout asset in Asian trading, after DeepSeek reopened access to its core programming interface after nearly a three-week suspension, resuming a service key to wider adoption of an AI model that's proven remarkably popular since its emergence last month. Copper climbed after Trump signed an executive action directing the Commerce Department to examine possible tariffs on the metal. Investors are awaiting this week's reading on prices. The Fed's preferred inflation metric — the core personal consumption expenditures price index — is expected to cool to the slowest pace since June. In other markets, oil in New York steadied after sinking back into the \$60s-a-barrel range as a souring economic outlook threatened prospects for energy demand. Spot gold was little changed

USD/JPY — Bearish; pair keeps setting lower lows, breaks below Dec. trough at 148.65 to briefly trade at levels last seen in October; 14-day relative strength index for USD/JPY stays just above oversold territory while further drops could send pair toward 145 level, last seen in early October



JPY Currency (Japanese Yen Spot) Daily 27FEB2024-26FEB2025

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Source: Reuters, Bloomberg

| Currencies | | | | Rates | | |
|------------|--------|----------|--------|---------------|------------|--------------------|
| | Open | High | Low | | Last Price | Previous Day Close |
| EURUSD | 1.0514 | 1.0525 | 1.0500 | O/N SOFR | 4.340 | 4.330 |
| GBPUSD | 1.2666 | 1.2678 | 1.2645 | 1 month SOFR | 4.324 | 4.324 |
| USDJPY | 149.04 | 149.5500 | 148.63 | 3 month SOFR | 4.319 | 4.319 |
| USDINR | 86.85 | 87.25 | 86.84 | 6 months SOFR | 4.270 | 4.270 |
| USDCNY | 7.2510 | 7.2594 | 7.2510 | 12 month SOFR | 4.172 | 4.172 |
| USDCHF | 0.8930 | 0.8939 | 0.8917 | 3 years IRS | 3.901 | 3.868 |

| | | | | | | |
|---------------|--------|--------|--------|--------------------|-------|-------|
| AUDUSD | 0.6344 | 0.6354 | 0.6324 | 5 years IRS | 3.872 | 3.841 |
|---------------|--------|--------|--------|--------------------|-------|-------|

The dollar rises along with Treasury yields as chances for early action on Donald Trump's tax cut plans improve after House Republicans passed a budget blueprint. The Bloomberg Dollar Spot Index rose 0.1%. The euro was little changed at \$1.0504. The Japanese yen fell 0.3% to 149.42 per dollar. The offshore yuan was little changed at 7.2594 per dollar. The Australian dollar fell 0.3% to \$0.6327. AUD/USD drops 0.3% to 0.6326. NZD/USD falls 0.2% to 0.5712.

The yield on 10-year Treasuries rose after an 11-basis point decline overnight, sitting around its lowest levels since mid-December. Yields on Australian and Japanese bonds declined. Money markets are now pricing in more than two quarter-point reductions by the Fed in 2025. Japan's 10-year yield declined 2.5 basis points to 1.355%. Australia's 10-year yield declined four basis points to 4.35%. S&P 500 futures rose 0.3% as of 1 p.m. Tokyo time. The Shanghai Composite rose 0.5%. Euro Stoxx 50 futures rose 0.4%. Nasdaq 100 futures rose 0.4%.

| | | | | Global Markets | | | |
|--|-------------------|-----------------|-----------------------|--------------------------------|--------------|-------------------------|----------------|
| | | | Current Levels | | Level | 1-Day Change (%) | YTD (%) |
| CBO Repo Rate | | | 5 | | | | |
| O/N OMIBOR | | | 4.25 | S&P 500 | 5955 | -0.468 | 1.25 |
| *Bank Deposit Rates for 1 years | | | 4.20 | Euro Stoxx 600 | 554 | 0.146 | 9.18 |
| Bank Deposit Rates for 5 years | | | 4.50 | ShanghaiComposite Index | 3363 | 0.496 | 0.32 |
| <small>*Amount>500k OMR</small> | | | | MSX-30 | 4410 | -0.401 | -3.63 |
| | | | | NIFTY-50 | 22548 | -0.026 | -4.64 |
| Calendar | | | | Brent Crude (\$/bbl) | 73.22 | 0.288 | -1.36 |
| Key Data Watch | Time (GST) | Expected | Prior | Gold (\$/oz.) | 2914 | -0.035 | 11.03 |
| US New Home Sales MoM | 19:00 | 1.7% | 5.9% | DXY | 106 | 0.089 | -1.92 |
| MBA Mortgage Applications | 16:00 | - | 2.3% | Silver(\$/oz.) | 32 | -0.085 | 9.72 |

For any Treasury related requirement, please contact:

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

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