

Bank Dhofar Morning Market Update



Date: 02/09/25

Global Update

Asian stocks posted a modest gain and gold reached a record high with traders positioning for an interest-rate cut by the Federal Reserve as early as this month. Shares in Japan and South Korea rebounded from their Monday losses while indexes in China and Hong Kong retreated. Oil drifted higher with attention on an upcoming OPEC+ meeting. The yen fell 0.3% against the dollar after Bank of Japan Deputy Governor Ryozyo Himino’s speech provided few clues on the future direction of interest rates. Gold hit a record of over \$3,500 an ounce before trimming some of those gains. The Treasury curve steepened as cash trading resumed following the Labor Day weekend in the US. The yield on the Treasury two-year notes inched up one basis point to 3.63%. Japanese 10-year bonds gained after the strongest auction since 2023. After a selloff in technology shares on Wall Street Friday, the record-breaking stock rally faces a pivotal test this month, with jobs numbers, inflation data and the Federal Reserve’s rate call all landing within the next three weeks. Tariff tensions and questions over the Fed’s independence are also compounding the risks in September, historically the weakest month of the year for US markets.

AUD/USD has the potential to burst higher if Wednesday’s GDP print comes in strong enough to trigger a squeeze for some very overstretched shorts. Citi’s surprise index climbed the past 14 days as data consistently topped expectations, while the Aussie dollar is rangebound and the most recent CFTC figures show speculators boosted bets the currency would drop to near record levels as of a week ago.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1711	1.1718	1.1690	O/N SOFR	4.340	4.340
GBPUSD	1.3545	1.3549	1.3523	1 month SOFR	4.273	4.273
USDJPY	147.18	147.8600	147.05	3 month SOFR	4.171	4.171
USDINR	88.15	88.16	87.97	6 months SOFR	4.021	4.021
USDCNY	7.1372	7.1455	7.1372	12 month SOFR	3.767	3.767
USDCHF	0.8005	0.8015	0.8000	3 years IRS	3.309	3.294
AUDUSD	0.6552	0.6559	0.6536	5 years IRS	3.351	3.335
NZDUSD	0.5901	0.5908	0.5881	S&P 500 futures were little changed as of 1:09 p.m. Tokyo time. Japan’s		

The Bloomberg Dollar Spot Index rose 0.2%. The euro fell 0.2% to \$1.1693. The Japanese yen fell 0.4% to 147.72 per dollar. The offshore yuan fell 0.1% to 7.1419 per dollar. Bitcoin rose 1.3% to \$110,268.54. Ether rose 1.8% to \$4,368.19. West Texas Intermediate crude rose 1.5% to \$64.95 a barrel. Spot gold rose 0.5% to \$3,494.91 an ounce.

Topix rose 0.7%. Australia’s S&P/ASX 200 fell 0.2%. Hong Kong’s Hang Seng fell 0.6%. The Shanghai Composite fell 0.8%. Euro Stoxx 50 futures were little changed. The yield on 10-year Treasuries advanced two basis points to 4.24%. Japan’s 10-year yield declined 2.5 basis points to 1.600%. Australia’s 10-year yield advanced three basis points to 4.34%.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.285	S&P 500	6460	-0.640	9.84
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	551	0.235	8.63
				ShanghaiComposite Index	3845	-0.792	14.71
Bank Deposit Rates for 5 years			3.93	MSX-30	5102	1.437	11.48
*Amount>500k OMR				NIFTY-50	24739	0.464	4.63
Calendar				Brent Crude (\$/bbl)	68.41	0.411	-5.05
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3496	0.584	33.22
S&P Global US Manufacturing PMI	17:45	49.7	49.8	DXY	98	0.088	-9.80
Construction Spending MoM (US)	18:00	0.0%	-0.3%	Silver(\$/oz.)	41	0.267	41.18

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