

Bank Dhofar Morning Market Update



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Global Update

A gauge of Asian equities dropped, weighed down by selling pressure for shares in Hong Kong and mainland China. Japanese markets are closed. Contracts for the S&P 500 and Nasdaq 100 both declined as did those for the region-wide Euro Stoxx 50. Demand for haven assets pushed an index of the dollar higher for a third consecutive session. Gold rose above \$2,940 briefly to set a new high. Trump set tariffs on steel and aluminum shipments from all countries, including major suppliers Mexico and Canada, from March 12, but said he would consider an exemption for Australia. The president earlier said he would announce reciprocal tariffs this week on countries that tax US imports. Aside from the global trade picture, investors will also be focused on this week's key inflation data and Fed Chair Jerome Powell's testimony before Congress. Expected inflation rates over the next year and three years ahead were both unchanged in January at 3%, according to results of the New York Fed's Survey of Consumer Expectations published Monday. Elsewhere, the Indian rupee strengthened as much as 1% against the US dollar. The yen was little changed, while the pound weakened.

EUR/USD is still bounded in consolidation from 1.0176 and intraday bias remains neutral. Outlook will remain bearish as long as 38.2% retracement of 1.1213 to 1.0176 at 1.0572 holds. On the downside, break of 1.0176 will resume whole fall from 1.1213. However, decisive break of 1.0572 will raise the chance of reversal, and target 61.8% retracement at 1.0817. Sustained break there will solidify the case of medium term bearish trend reversal, and pave the way back to 0.9534. However, reversal from 1.0199 will argue that price actions from 1.1274 are merely a corrective pattern, and has already completed.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.0307	1.0311	1.0292	O/N SOFR	4.350	4.360
GBPUSD	1.2368	1.2371	1.2346	1 month SOFR	4.318	4.318
USDJPY	152.00	152.0600	151.69	3 month SOFR	4.315	4.315
USDINR	87.35	87.41	86.64	6 months SOFR	4.279	4.279
USDCNY	7.3089	7.3091	7.3060	12 month SOFR	4.220	4.220
USDCHF	0.9113	0.9118	0.9108	3 years IRS	4.075	4.075
AUDUSD	0.6278	0.6285	0.6261	5 years IRS	4.040	4.049

The USD index was up 0.1% to 108.369. The euro was little changed at \$1.0305. The Japanese yen was unchanged at 152.00 per dollar. The offshore yuan was little changed at 7.3091 per dollar. AUD/USD slipped 0.1% to 0.6274. Trump said he is considering giving Australia an exemption on the steel and aluminum duties. GBP/USD inched 0.1% lower to 1.2360. USD/CAD rose 0.1% to 1.4333.

The yield on 10-year Treasuries was little changed at 4.50% Japan's 10-year yield advanced 1.5 basis points to 1.315% Australia's 10-year yield declined one basis point to 4.39%. PBOC injects net 33b yuan in open market operations through seven-day reverse repurchase agreements Tuesday 10-year government bond yield little changed at 1.63% 1-year government bond yield up 1bps to 1.27%.

	Current Levels
CBO Repo Rate	5
O/N OMIBOR	4.25
*Bank Deposit Rates for 1 years	4.20
Bank Deposit Rates for 5 years	4.50

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
NY Fed 1-Yr Inflation Expectations	20:00	3.02%	2.97%
Eurozone Sentix Investor Confidence	13:30	-17.9	-17.5

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6066	0.671	3.14
Euro Stoxx 600	546	0.584	7.55
Shanghai Composite Index	3316	-0.186	-1.07
MSX-30	4533	-0.386	-0.95
NIFTY-50	23286	-0.408	-1.52
Brent Crude (\$/bbl)	76.23	0.475	2.68
Gold (\$/oz.)	2929	0.700	11.59
		0.040	
DXY	108		-0.12
Silver(\$/oz.)	32	-0.088	10.80

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