

Bank Dhofar Morning Market Update



Date: 16/01/25

Global Update

Shares in Asia tracked Wall Street's rise as cooling US core inflation kept alive the prospect of Federal Reserve easing this year. Gauges in Australia, Hong Kong and China all notched gains, sending an index of Asian equities higher for a third day. The S&P 500 closed Wednesday 1.8% higher, the benchmark's best day since the November election, which erased its 2025 decline. Treasuries and an index of the dollar steadied. The yen rose on a report that BOJ officials see a good chance of a rate increase next week as long as Donald Trump's arrival at the White House doesn't trigger too many negative surprises. The South Korean won swung to a loss after central bank Governor Rhee Chang-yong said all six members of the board were open to a rate cut in the next three months. In commodities, oil extended a powerful early-year advance on mounting risks to global supplies, and as commercial crude inventories in the US posted their longest run of declines since 2021. West Texas Intermediate crude rose 0.4% to \$80.37 a barrel. Gold was little changed. Gold held a two-day advance, after a surprise slowdown in US inflation revived expectations for Federal Reserve rate cuts this year. Bullion traded around \$2695 an ounce — near the highest in a month — after the consumer price index, which excludes food and energy costs - rose 0.2% following four months of 0.3% gains. That signaled US officials may have room to ease policy sooner than previously thought. Treasury yields and the dollar fell after the print, boosting bullion's allure as it does not generate interest and becomes cheaper for most buyers when the greenback weakens. A clutch of Fed officials on Wednesday expressed confidence that price pressures would continue to ebb, but some warned that the battle against inflation isn't finished yet. Easing monetary policy was a major catalyst for the precious metal's rally to a record last year.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		08-00 GST	Previous Day Close
EURUSD	1.0289	1.0300	1.0285	O/N SOFR	4.300	4.290
GBPUSD	1.2242	1.2248	1.2217	1 month SOFR	4.301	4.305
USDJPY	156.47	156.5200	155.21	3 month SOFR	4.303	4.308
USDINR	86.42	86.49	86.41	6 months SOFR	4.289	4.296
USDCNY	7.3310	7.3316	7.3306	12 month SOFR	4.264	4.278
USDCHF	0.9126	0.9132	0.9113	3 years IRS	4.124	4.124

XAU Curncy (Gold Spot \$/Oz) Daily 17JAN2024-16JAN2025

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AUDUSD	0.6227	0.6246	0.6204	5 years IRS	4.141	4.141
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Japan's currency rallied as much as 0.8%, to 155.83 per dollar as BOJ officials were said to acknowledge there's a likelihood the rate will be raised from 0.25% at the end of its two-day meeting on Jan. 24. The euro was little changed at \$1.0285. The offshore yuan was little changed at 7.3499 per dollar. The Canadian dollar slipped after a report stated the country has drawn up a list of US goods it would hit with tariffs if President-elect Donald Trump decides to levy tariffs on Canadian goods.

The yield on 10-year Treasuries was little changed at 4.66%. Australia's 10-year yield declined 10 basis points to 4.52%. S&P 500 futures were little changed as of 12:21 p.m. Tokyo time. Australia's S&P/ASX 200 rose 1.4%. Hong Kong's Hang Seng rose 0.7%. The Shanghai Composite was little changed. Euro Stoxx 50 futures fell 0.3%. Later Thursday, the European Central Bank will release its meeting minutes while US data to be released includes initial jobless claims and retail sales, providing investors with a broader picture of the health of the world's largest economy.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			5				
O/N OMIBOR			4.25	S&P 500	5950	1.831	1.16
*Bank Deposit Rates for 1 years			4.25	Euro Stoxx 600	515	1.326	1.46
Bank Deposit Rates for 5 years			4.00	ShanghaiComposite Index	3234	0.211	-3.52
<small>*Amount>500k OMR</small>				MSX-30	4605	-0.134	0.62
				NIFTY-50	23312	0.424	-1.41
				Brent Crude (\$/bbl)	82.27	0.293	10.22
				Gold (\$/oz.)	2698	0.057	2.79
						-0.013	
				DXY	109		0.54
				Silver(\$/oz.)	31	0.139	6.21

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
US Initial Jobless Claims	17:30	215K	211K
UK Monthly GDP MoM	11:00	0.1%	-0.1%

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