

Bank Dhofar Morning Market Update



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Global Update

Asian equities rose as much as 1% on Monday, supported by expectations that the recent court ruling will especially benefit China and India — two major regional economies that had been most affected by Trump’s tariff measures. Meanwhile, US equity futures weakened, with S&P 500 contracts slipping 0.7% and Nasdaq 100 futures down 0.9%. The Japanese yen, Swiss franc, and euro strengthened against the dollar, which retreated after last week’s gains. Bitcoin dropped nearly 5%, falling below \$65,000, while gold and silver advanced. The market reactions suggested investors were beginning to factor in a higher risk premium for US assets. Only hours after the Supreme Court blocked his broad reciprocal tariff plan on Friday, President Donald Trump introduced a new 10% global tariff and pledged to use other authorities to continue his trademark trade approach. On Saturday, he announced an increase of the new levy to 15%, adding fresh uncertainty to global markets. Investors were keen to gain more clarity on Trump’s revised strategy, given the significant implications it may have—not only for the US economy and Federal Reserve policy, but also for global markets and multinational companies. While Trump still has alternative mechanisms to impose import taxes, the court’s decision effectively nullifies a substantial portion of the tariffs he introduced during his second term.

Gold is climbing more than 1% early Monday, extending its 2% advance from Friday. The metal is breaking through key technical levels, supported by strong buying interest amid renewed tariff actions, economic uncertainty, and escalating US-Iran geopolitical tensions. The 21-day Simple Moving Average (SMA) has moved above the 50-, 100- and 200-day SMAs, signaling solid bullish momentum as all trend indicators continue rising with price holding above them. The 21-day SMA, now at \$5,020.15, acts as immediate dynamic support. The Relative Strength Index (14) is at 59.76 and drifting higher, showing increasing upside momentum while remaining below overbought territory. Using the Fibonacci retracement range from the \$5,597.89 high to the \$4,401.99 low, the 78.6% retracement level at \$5,341.96 is capping further gains for now.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1784	1.1835	1.1784	O/N SOFR	3.670	3.670
GBPUSD	1.3486	1.3533	1.3480	1 month SOFR	3.673	3.673
USDJPY	154.96	155.0700	154.00	3 month SOFR	3.665	3.665
USDINR	90.77	90.79	90.72	6 months SOFR	3.608	3.608
USDCNY	6.9035	6.9136	6.9029	12 month SOFR	3.448	3.448
USDCHF	0.7744	0.7750	0.7711	3 years IRS	3.279	3.279
AUDUSD	0.7085	0.7112	0.7067	5 years IRS	3.338	3.359
NZDUSD	0.5971	0.6004	0.5970			

The dollar fell versus most major peers as President Donald Trump’s latest tariff plans rekindled uncertainty over US trade policy. USD/JPY falls below mid 154-155 while EUR/USD rises back above 1.18. GBP/USD advances past 1.35. AUD/USD underperforms peers and remains below 0.71.

The yield on 10-year US Treasuries edged up by two basis points to 4.08% in a turbulent Friday session, following mixed economic data on growth and inflation. The subsequent tariff ruling added further uncertainty, particularly around the prospect of a widening budget deficit. Treasury cash trading in Asia was shut on Monday due to a holiday in Japan.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	6910	0.694	0.94
*Bank Deposit Rates for 1 years			3.75	Euro Stoxx 600	631	0.836	6.48
				Shanghai Composite Index	4082	-1.257	2.85
Bank Deposit Rates for 5 years			3.75	MSX-30	7217	-0.108	23.02
				NIFTY-50	25733	0.631	-1.52
				Brent Crude (\$/bbl)	70.87	-1.212	17.19
				Gold (\$/oz.)	5162	1.063	19.50
						-0.342	
				DXY	97		-0.87
				Silver (\$/oz.)	87	3.377	22.11

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