

Bank Dhofar Morning Market Update



Date: 08/01/25

Global Update

Asian stocks edged marginally lower as investors stayed on the sidelines ahead of Friday’s US economic data, which will offer clues on the path of interest rates. Oil rose for the first time in three sessions. The MSCI Asia Pacific Index fell 0.3%, after global gauges retreated for the first time this year. Volatility was low in the forex market as well with the JPMorgan Global FX Volatility Index — a measure of expected swings in major currencies — hovering around levels last seen in March 2024. Defense stocks in the region climbed after President Donald Trump’s plans to increase US military budget. Samsung Electronics Co. rose after a record profit. The moves suggested that the optimism which had lifted risk assets since the start of the year may be starting to fade amid rising geopolitical uncertainty and a mixed global economic outlook, with earnings season approaching. Traders also face a busy week ahead, with Friday’s US payrolls report coinciding with a Supreme Court ruling on Trump’s global tariffs. Stocks have been rallying on optimism over solid earnings growth and inflation remaining sufficiently contained for the Federal Reserve to keep cutting borrowing costs. That rosy view has persisted despite a worsening geopolitical backdrop, including US actions in Venezuela, its threats of intervention elsewhere and rising tensions between China and Japan.

The GBP/USD pair is seen consolidating its heavy losses registered over the past two days and oscillating in a narrow trading band, just above mid-1.3400s during the Asian session on Thursday. However, the fundamental backdrop warrants some caution for bearish traders and before positioning for an extension of the retracement slide from the 1.3565-1.3570 region, or the highest level since September 18, touched on Tuesday. The overnight breakout through the 1.3275-1.3280 confluence – comprising the 200-day Simple Moving Average (SMA) and the 38.2% Fibonacci retracement level of the September-November downfall – is seen as a key trigger for the GBP/USD bulls. With oscillators on the daily chart holding in positive territory, some follow-through buying beyond the 1.3365 area (50% retracement level) should allow spot prices to reclaim the 1.3400 mark. The momentum could extend further towards the 61.8% retracement level, around the 1.3455-1.3460 horizontal barrier, en route to the 1.3500 psychological mark.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.1675	1.1683	1.1673	O/N SOFR	3.660	0.000
GBPUSD	1.3458	1.3466	1.3451	1 month SOFR	3.675	3.675
USDJPY	156.76	156.9500	156.63	3 month SOFR	3.646	3.646

USDINR	89.96	89.99	89.74	6 months SOFR	3.575	3.575
USDCNY	6.9944	6.9964	6.9863	12 month SOFR	3.424	3.424
USDCHF	0.7977	0.7980	0.7970	3 years IRS	3.319	3.330
AUDUSD	0.6721	0.6726	0.6707	5 years IRS	3.429	3.442
NZDUSD	0.5772	0.5778	0.5762	US 2-year yields fall 1bp to 3.46%, while 10-year yields drop 1bp to 4.14%.Japan's 10-year yield declined 2.5 basis points to 2.095%.Australia's 10-year yield declined 10 basis points to 4.66%.		

USD/CHF holds under 0.80, while EUR/CHF hovers below its 100-DMA. USD/JPY consolidates below 157, while EUR/USD edges higher but remains under 1.17. GBP/USD trades in tight range near mid 1.34-1.35, while AUD/USD declines toward 0.67.

				Global Markets			
			Current Levels		Level	1-Day Change (%)	YTD (%)
CBO Repo Rate			4.25				
O/N OMIBOR			4	S&P 500	6921	-0.344	1.10
*Bank Deposit Rates for 1 years			4.00	Euro Stoxx 600	605	-0.048	2.16
				ShanghaiComposite Index	4089	0.090	3.04
Bank Deposit Rates for 5 years			4.00	MSX-30	6100	1.244	3.97
*Amount>500k OMR				NIFTY-50	26080	-0.231	-0.19
Calendar				Brent Crude (\$/bbl)	60.30	0.584	-0.89
				Gold (\$/oz.)	4432	-0.549	2.61
Key Data Watch	Time (GST)	Expected	Prior			0.034	
Challenger Job Cuts YoY	16:30		23.5%	DXY	99		0.40
Nonfarm Productivity	16:30	5.0%	3.3%	Silver(\$/oz.)	78	-0.606	8.44

For any Treasury related requirement, please contact:

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