

Bank Dhofar Morning Market Update



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Global Update

Stock markets staged a relief rally after US Commerce Secretary Howard Lutnick said the Trump administration may walk back some tariffs. Hong Kong shares led the gains as China's economic growth target spurred bets of more stimulus. Traders are wading through a slew of news, with Beijing's annual work report, Lutnick's hints of a tariff compromise with Canada and Mexico, and Germany's plan to boost defense spending all impacting markets. Both US and European equity-index futures gained as President Donald Trump defended his economic plans, while a regional Asian gauge rebounded. Treasuries held Tuesday's declines and the dollar strengthened against all the Group-of-10 currencies. Chinese shares in Hong Kong outperformed after the National People's Congress in Beijing set an economic growth target of about 5% for 2025, a third straight year it has maintained that goal. Given the broadening global uncertainty on tariffs and geopolitics, economists expect Chinese officials to add stimulus. Meanwhile, China boosted its budget deficit to the highest in 30 years as it battles deflation, a property crash and now a trade war with the US. Policy makers also set an inflation goal of 2%, down from a longstanding 3% target. The yuan weakened slightly on the announcements. In commodities, oil extended its decline. West Texas Intermediate crude fell 1% to \$67.61 a barrel. Spot gold fell 0.2% to \$2,911.58 an ounce. Palm oil headed for the lowest close in almost a month, dragged down by lackluster shipments from the world's second-biggest producer. Malaysian palm oil exports fell 8.5% from a month earlier to 1.01 million tons in February, according to AmSpec Agri. Another cargo surveyor, Intertek Testing Services, reported an 11% drop for the same period, due to weaker demand from Europe and the Middle East. Prices fell 1.5% to 4,487 ringgit a ton by the midday break on Monday in Kuala Lumpur, setting them on track for the lowest close since Feb. 6.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.0626	1.0637	1.0602	O/N SOFR	4.330	4.360
GBPUSD	1.2795	1.2797	1.2768	1 month SOFR	4.321	4.321
USDJPY	149.79	150.1800	149.58	3 month SOFR	4.310	4.310
USDINR	87.24	87.24	87.10	6 months SOFR	4.232	4.232
USDCNY	7.2664	7.2730	7.2592	12 month SOFR	4.075	4.075
USDCHF	0.8894	0.8913	0.8888	3 years IRS	3.741	3.768

AUDUSD	0.6272	0.6280	0.6234	5 years IRS	3.738	3.759
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In European news, Germany said it will unlock hundreds of billions of euros for defense and infrastructure investments in a dramatic shift that upends its ironclad controls on government borrowing. The move drove the euro to a three-month high and sparked a selloff in global bond markets to bund futures to Treasuries. The Bloomberg Dollar Spot Index was little changed. The Japanese yen was little changed at 149.80 per dollar. The offshore yuan fell 0.1% to 7.2627 per dollar.

Frantic moves lashed markets all day Tuesday, as sentiment shifted quickly amid the slew of news. US stocks were particularly volatile, first plunging, then recovering, and falling anew at session's end. While the S&P 500 closed down 1.2%, equities gained in late trading after Lutnick's comments. The yield on 10-year Treasuries was little changed at 4.24%. Australia's 10-year yield advanced nine basis points to 4.36%. The Shanghai Composite rose 0.3%. Euro Stoxx 50 futures rose 1.8%.

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

*Amount>500k OMR

Calendar			
Key Data Watch	Time (GST)	Expected	Prior
S&P Global US Services PMI	18:45	53.0	52.9
S&P Global UK Services PMI	13:30	50.8	50.8

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	5778	-1.224	-1.76
Euro Stoxx 600	551	-2.142	8.56
ShanghaiComposite Index	3326	0.056	-0.77
MSX-30	4411	-0.307	-3.61
NIFTY-50	22286	0.919	-5.75
Brent Crude (\$/bbl)	70.84	-0.268	-4.10
Gold (\$/oz.)	2912	-0.190	10.97
		-0.116	
DXY	106		-2.64
Silver(\$/oz.)	32	0.108	10.77

For any Treasury related requirement, please contact:

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