

Bank Dhofar Morning Market Update



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Global Update

Asian equities advanced Thursday after stocks and bonds rose on Wall Street in a week marred by tariffs, lackluster tech earnings and uneven US economic data. The yen strengthened to the highest level since early December. A gauge of Asian equities rose for a third day to the highest level since Dec. 18. US equity futures were steady after the S&P 500 and Nasdaq 100 both notched a second day of gains on Wednesday. Shares in Hong Kong and mainland China advanced, reversing their declines Wednesday. The US Postal Service said it's accepting "all international inbound mail and packages" from China and Hong Kong, walking back an announcement made only hours earlier to halt some overseas shipments. The steadiness in equities and bonds reflect a sense of calm after gyrations earlier in the week as President Donald Trump began to impose elements of his tariff plan. Traders still displayed caution in adding to risk in their portfolio, with the focus is shifting to Friday's US jobs numbers and the effect on Federal Reserve policy. The yen trimmed some of its gains against the dollar. Bank of Japan official Naoki Tamura said Japanese interest rates could touch 1% in the second half of the fiscal year 2025. The Japanese currency also faces fresh demand from hedge funds amid volatile trading in currency markets. In commodities, gold was steady after touching a record high Wednesday amid concerns over tightness in the market. US oil inched higher after falling more than 2% Wednesday. Saudi Arabia increased the price of its flagship crude to Asia as the kingdom responds to surging premiums for Middle Eastern crude and improving refinery margins.

Palm oil prices rose on expectations of increased demand from India, which imported the lowest amount in 11 years last month. India's imports fell over 50% to 242,000 tons in January, and the market expects the country to boost buying to replenish stockpiles. Concerns over lower output and adverse weather in Malaysia, as well as gains in China's vegetable market, may also support further price gains.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.0403	1.0405	1.0388	O/N SOFR	4.330	4.360
GBPUSD	1.2505	1.2510	1.2490	1 month SOFR	4.308	4.308
USDJPY	152.61	152.7500	151.82	3 month SOFR	4.302	4.302
USDINR	87.51	87.57	87.51	6 months SOFR	4.259	4.259
USDCNY	7.2766	7.2852	7.2726	12 month SOFR	4.189	4.189
USDCHF	0.9017	0.9028	0.9008	3 years IRS	3.988	3.987

AUDUSD	0.6285	0.6288	0.6262
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The euro fell 0.1% to \$1.0392. The Japanese yen rose 0.2% to 152.26 per dollar. The offshore yuan was little changed at 7.2852 per dollar. Lower yields weighed on the dollar. An index of greenback strength fell 0.2% Wednesday to the lowest level in a week. The moves in the US overnight were partly the result of data that showed weaker-than-expected demand for services. GBP/USD hovers under 1.25 ahead of BOE's rate decision. AUD/USD falls for first time in five days to hold under 0.63.

5 years IRS	3.961	3.957
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Treasuries were steady in Asian trading after rallying across the curve Wednesday. The US 10-year yield dropped nine basis points to 4.42% during the session while the policy-sensitive two-year yield declined three basis points to 4.18% — both the lowest since the middle of December. Australia's 10-year yield declined five basis points to 4.31%. Data set for release in Asia includes inflation for Vietnam and Thailand. In Europe, the Bank of England is expected to reduce interest rates by 25 basis points to 4.5%.

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
US Initial Jobless Claims	17:30	225K	223K
Bank Of England Official Bank Rate	16:00	4.75%	4.75%

Global Markets			
	Level	1-Day Change (%)	YTD (%)
S&P 500	6061	0.391	3.06
Euro Stoxx 600	539	0.470	6.10
ShanghaiComposite Index	3254	0.763	-2.91
MSX-30	4573	-0.296	-0.07
NIFTY-50	23636	-0.253	-0.04
Brent Crude (\$/bbl)	74.66	0.080	0.58
Gold (\$/oz.)	2870	0.084	9.34
DXY	108	0.091	-0.75
Silver(\$/oz.)	32	-0.228	11.54

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