

Bank Dhofar Morning Market Update



Date: 04/06/25

Global Update

Asian stocks rose for the first time in four days after data showed the US labor market is holding up, easing concerns President Donald Trump’s tariff war is pushing the world economy into a downturn. A regional gauge climbed 0.7%, with South Korea’s Kospi Index jumping 2.5% after the country elected a new president, capping six months of political chaos. The Korean won gained 0.3%. Equity-index futures for Europe advanced 0.3% while those for the US were little changed. Asian chip shares tracked their US peers higher on recovering AI trade.

Just days ahead of the US payrolls report, an unexpected increase in job openings reinforced the Federal Reserve’s assertion that the labor market is in a good place, buoying market sentiment. That optimism helped offset investor angst on Trump’s combative trade policies, which economists have warned will push the US economy into a recession. The Office of the US Trade Representative has sent letters to trading partners to remind them of an upcoming deadline in negotiations, according to the White House. Commerce Secretary Howard Lutnick said he’s “very optimistic” about prospects for a deal between the US and India.

Intraday bias remains neutral for USDJPY. On the upside, above 146.27 will target 148.64 resistance first. Firm break there will resume the rebound from 139.87. Nevertheless, break of 142.10 will bring deeper fall back to 139.87 low. In the bigger picture, price actions from 161.94 are seen as a corrective pattern to rise from 102.58, with fall from 158.86 as the third leg. Strong support should be seen from 38.2% retracement of 102.58 to 161.94 at 139.26 to bring rebound.



Source: Reuters, Bloomberg

| Currencies | | | | Rates | | |
|------------|--------|----------|--------|---------------|------------|--------------------|
| | Open | High | Low | | Last Price | Previous Day Close |
| EURUSD | 1.1371 | 1.1393 | 1.1357 | O/N SOFR | 4.350 | 4.330 |
| GBPUSD | 1.3517 | 1.3545 | 1.3501 | 1 month SOFR | 4.320 | 4.320 |
| USDJPY | 143.97 | 144.3800 | 143.67 | 3 month SOFR | 4.320 | 4.320 |
| USDINR | 85.75 | 86.00 | 85.74 | 6 months SOFR | 4.252 | 4.252 |
| USDCNY | 7.1883 | 7.1938 | 7.1821 | 12 month SOFR | 4.042 | 4.042 |
| USDCHF | 0.8239 | 0.8250 | 0.8225 | 3 years IRS | 3.652 | 3.646 |

| | | | | | | |
|--|--------|--------|--------|--|-------|-------|
| AUDUSD | 0.6462 | 0.6480 | 0.6451 | 5 years IRS | 3.676 | 3.675 |
| NZDUSD | 0.5998 | 0.6014 | 0.5992 | Bank of Japan Governor Kazuo Ueda is expected to continue hiking rates due to inflation running above the 2% target, with recent CPI data showing upside surprises that can no longer be explained by the yen's weakness alone.US 2-year yields steady at 3.95% while 10-year yields fall 1bp to 4.45%. In Tuesday's US trading session 2-year yields ended up 2bps while 10-year gained 1bpJapan's 10-year yield advanced 1.5 basis points to 1.495%. Australia's 10-year yield was little changed at 4.25% | | |
| The dollar pared earlier losses ahead of US ISM services, PMI and ADP employment data, which will be used by traders to gauge the strength of the domestic economy. USD/JPY hovers around 144 while EUR/USD consolidates below 1.14. GBP/USD is steady to remain above 1.35. AUD/USD drifts down toward mid 0.64-0.65. | | | | | | |

| | | | | Global Markets | | | |
|---------------------------------|------------|----------|----------------|-------------------------|-------|------------------|---------|
| | | | Current Levels | | Level | 1-Day Change (%) | YTD (%) |
| CBO Repo Rate | | | 5 | | | | |
| O/N OMIBOR | | | 4.25 | S&P 500 | 5970 | 0.580 | 1.51 |
| *Bank Deposit Rates for 1 years | | | 4.25 | Euro Stoxx 600 | 548 | 0.095 | 8.04 |
| | | | | ShanghaiComposite Index | 3376 | 0.418 | 0.72 |
| Bank Deposit Rates for 5 years | | | 4.50 | MSX-30 | 4557 | 0.083 | -0.43 |
| *Amount>500k OMR | | | | NIFTY-50 | 24589 | 0.189 | 3.99 |
| | | | | Brent Crude (\$/bbl) | 65.39 | -0.366 | -10.35 |
| Calendar | | | | Gold (\$/oz.) | 3356 | 0.091 | 27.89 |
| | | | | | | 0.086 | |
| Key Data Watch | Time (GST) | Expected | Prior | DXY | 99 | | -8.46 |
| MBA Mortgage Applications | 15:00 | | -1.2% | | | | |
| ADP Employment Change | 16:15 | 114k | 62k | Silver(\$/oz.) | 34 | -0.116 | 19.29 |

For any Treasury related requirement, please contact:
Telephone: +968 2265 2721/2722/2731/2716

Disclaimer: Any information contained in this document should not be construed as an offer, invitation, solicitation, or advice of any kind to buy or sell any financial products or services offered by Bank Dhofar S.A.O.G ("Bank Dhofar S.A.O.G"), unless specifically stated so. Foreign exchange and derivative transactions involve numerous risks including among others, market, counterparty default and illiquidity risk. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You may consider asking advice from your advisers in making this assessment. No part of this report/document may be copied or redistributed by any recipient for any purpose without Bank Dhofar S.A.O.G's prior written consent. All information contained in this document has been obtained from official sources believed to be accurate and reliable and Bank Dhofar S.A.O.G makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Opinions, estimates and projections constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Bank Dhofar S.A.O.G and are subject to change without notice.