

Bank Dhofar Morning Market Update



Date: 07/04/25

Global Update

Equity-index futures for US and Europe both fell more than 3.2% after stocks plunged Friday. Asian shares slumped as much as 7.9%, the worst intraday drop in more than 16 years. Oil fell. Yields on two-year Treasuries, the most policy sensitive bonds, dropped as much as 22 basis points while the Japanese yen and Swiss franc surged. Credit-default swaps in Asia blew out by the most since the Covid-19 pandemic in 2020. Federal Reserve Chair Jerome Powell made clear that the central bank won't rush to react to the tariffs, which are likely to have a significant effect on the US economy, including slower growth and higher inflation. The surge in the Cboe Volatility Index last week took the gauge of expectations for US equity moves to its highest level since the early Covid days of 2020 relative to similar measures from India, South Korea and Australia. In addition to imposing new tariffs in response to Trump's latest levies, China over the weekend pledged decisive action to defend its economy. In commodities, copper and other metals reversed earlier drops. Oil sank after Saudi Arabia slashed its flagship crude price by the most in more than two years. EUR/USD's rally from 1.0176 resumed last week and spiked higher to 1.1145. But a temporary top was formed there with subsequent retreat. Initial bias remains neutral this week for consolidations. Downside of retreat should be contained by 38.2% retracement of 1.0176 to 1.1145 at 1.0775 to bring rebound. Above 1.1145 will target 1.1213/74 key resistance zone next. Decisive break of 1.1274 send EUR/USD through the multi-decade channel resistance will carries larger bullish implication. This will now be the favored case as long as 1.0731 support holds.



Source: Reuters, Bloomberg

Currencies				Rates		
	Open	High	Low		Last Price	Previous Day Close
EURUSD	1.0949	1.1000	1.0882	O/N SOFR	4.390	4.390
GBPUSD	1.2882	1.2933	1.2824	1 month SOFR	4.320	4.320
USDJPY	146.91	147.1200	144.82	3 month SOFR	4.259	4.259
USDINR	85.75	85.75	85.57	6 months SOFR	4.126	4.126
USDCNY	7.3040	7.3182	7.3039	12 month SOFR	3.863	3.863
USDCHF	0.8606	0.8619	0.8497	3 years IRS	3.231	3.359
AUDUSD	0.6073	0.6077	0.5933	5 years IRS	3.255	3.368

The euro fell 0.2% to \$1.0937.USD/JPY falls to below mid 146-147 having dropped at as low as 144.82 earlier in trading session. AUD/USD extends losses to trade near 0.60 after falling as low as 0.5933 earlier. NZD/USD declines to hold below 0.56. GBP/USD edges lower to remain under 1.29The offshore yuan fell 0.4% to 7.3217 per dollar.

A rally in US government debt sent the US two-year yield to touch the lowest since 2022 last week.China said it has room to ease borrowing costs and reserve rules for lenders if needed to defend its economy against the tariffs. US 2-year yields are down 12bps to 3.53% while 10-year yields fall 5bps to 3.94%. In Friday's US trading session 2- and 10-year yields ended down 3bps

				Global Markets			
		Current Levels			Level	1-Day Change (%)	YTD (%)
CBO Repo Rate		5		S&P 500	5074	-5.975	-13.73
O/N OMIBOR		4.25		Euro Stoxx 600	496	-5.121	-2.22
*Bank Deposit Rates for 1 years		4.25		ShanghaiComposite Index	3130	-6.339	-6.61
Bank Deposit Rates for 5 years		4.50		MSX-30	4253	-2.619	-7.08
*Amount>500k OMR				NIFTY-50	21995	-3.972	-6.98
Calendar				Brent Crude (\$/bbl)	63.95	-2.486	-13.06
Key Data Watch	Time (GST)	Expected	Prior	Gold (\$/oz.)	3029	-0.311	15.40
Consumer Credit	23:00	\$15.00	\$18.084			-0.203	
				DXY	103		-5.23
				Silver(\$/oz.)	30	1.720	4.13

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.